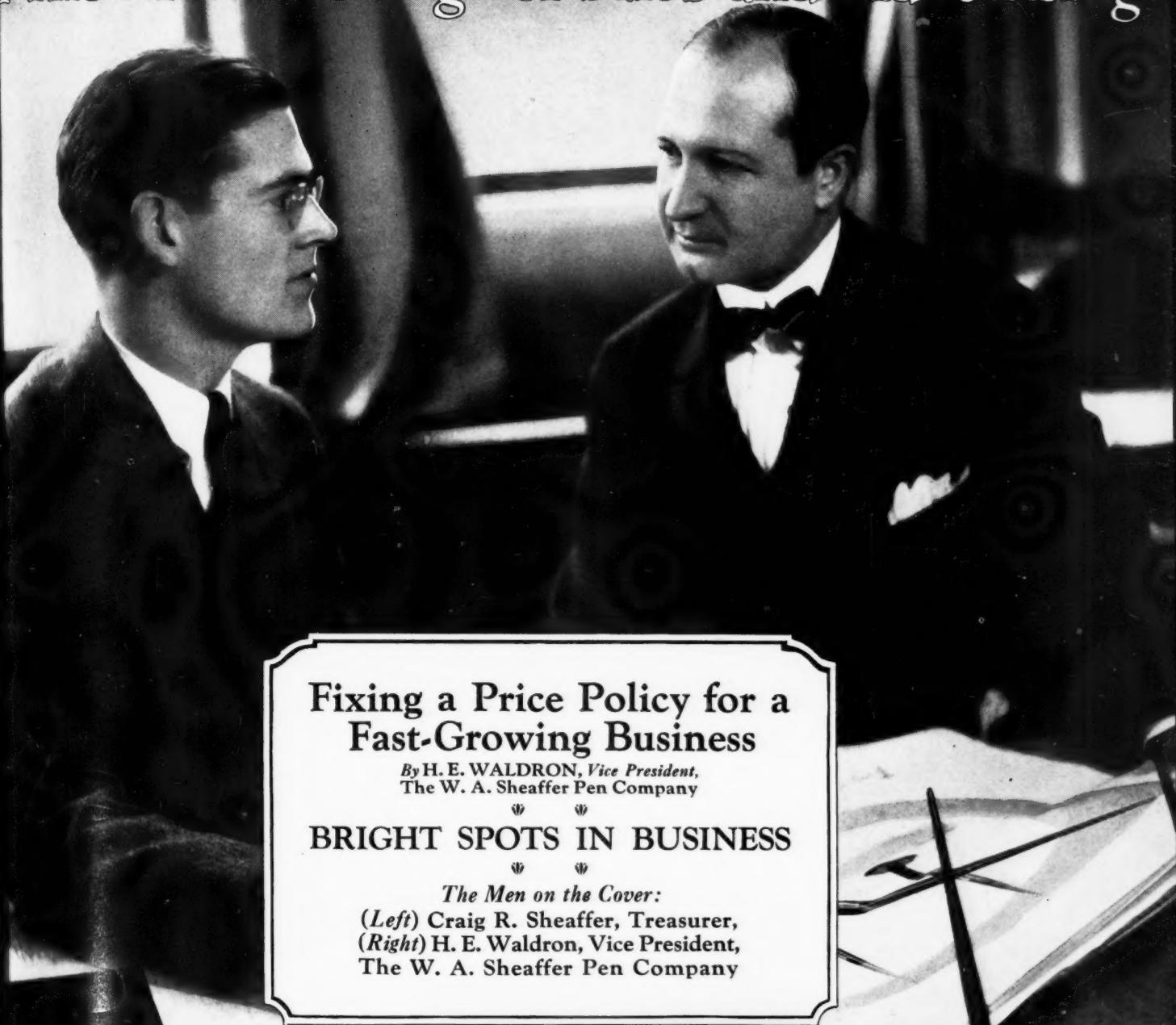


Sales Management

APR 8 1926

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The Man in Charge of Sales and Advertising



Fixing a Price Policy for a Fast-Growing Business

By H. E. WALDRON, Vice President,
The W. A. Sheaffer Pen Company

BRIGHT SPOTS IN BUSINESS

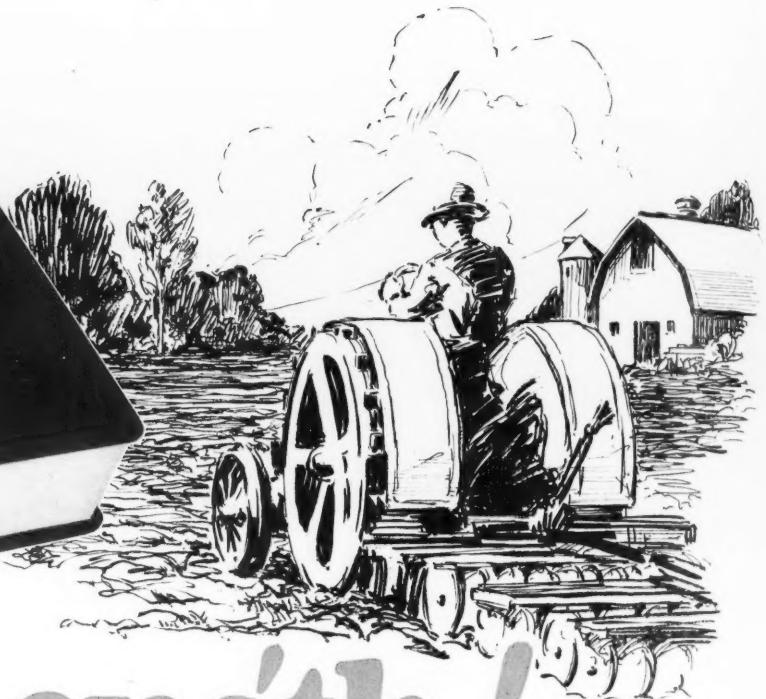
The Men on the Cover:

(Left) Craig R. Sheaffer, Treasurer,
(Right) H. E. Waldron, Vice President,
The W. A. Sheaffer Pen Company

APRIL 3, 1926

A Dartnell
Publication

TWENTY CENTS



strength!

—years ago, the common plow and permanently bound catalog had to do. Today, the tractor and the loose-leaf system have supplanted both.

The old plow was good enough as long as there was nothing better. But where the job is big, where efficiency is required, it's a tractor that's used today.

Strength—it's a characteristic of the Heinn Line of Loose-leaf Catalog Binders. *Strength*—worked into every part of the mechanism. *Strength*—insured by proper materials, and proper construction principles.

It counts in the long run. Your

salesmen must have it—for their binders get hard treatment. Your dealers appreciate it—for Heinn Binders keep their easy handling qualities and their good looks far longer than the average.

A Heinn Loose-leaf Catalog Binder always develops sales. Whether it's your salesman using it or your dealers thumbing it over. It's so easy to post it—so easy to use it—so nice to look at it—that it gets *preference*. It is *used*—year after year.

If for no other reason than to be informed write us, NOW, for all the facts on the Heinn Loose-leaf Catalog System.

THE HEINN COMPANY

Originators of the Loose-Leaf System of Cataloging

349 Florida Street

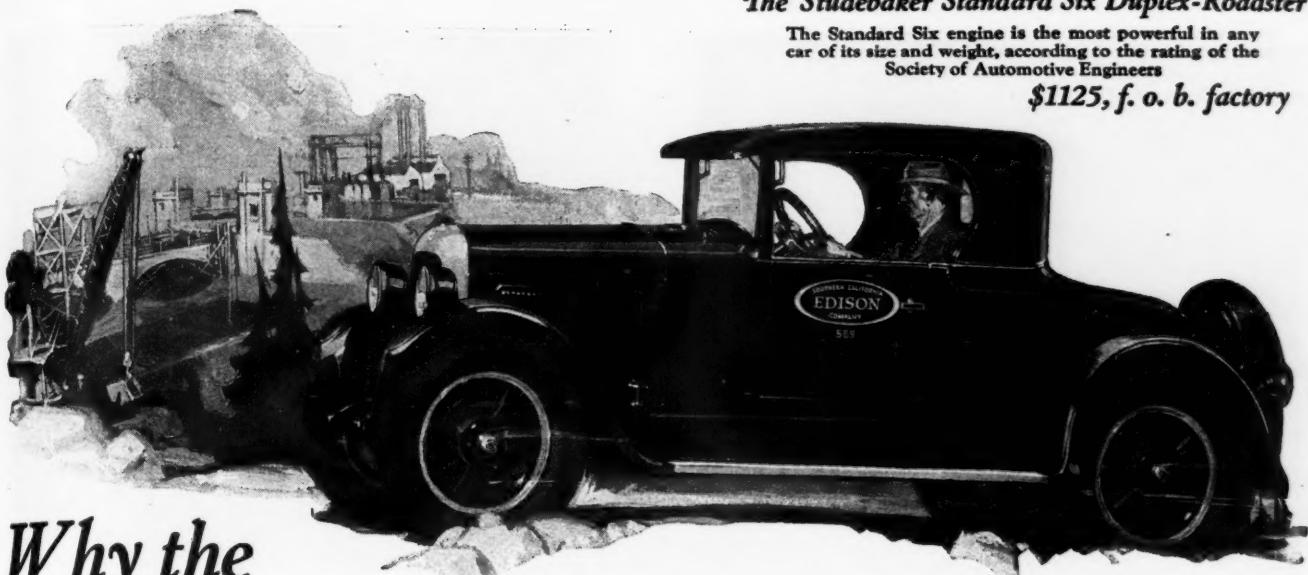
Milwaukee, Wis.

HEINN BINDERS

The Studebaker Standard Six Duplex-Roadster

The Standard Six engine is the most powerful in any car of its size and weight, according to the rating of the Society of Automotive Engineers

\$1125, f. o. b. factory



Why the Southern California Edison Company uses 90 Studebaker Cars!

THE Southern California Edison Company, a \$225,000,000 public utility, is operating a fleet of 90 Studebakers.

Very little boulevard work falls to the lot of these cars. This fleet has delivered hundreds of thousands of satisfying miles of service, over the crudest of mountain roads in the high Sierras. Studebakers were chosen because of their capacity to contribute their share toward the spectacular development work of the Southern California Edison Company at Florence Lake, 8,000 feet above sea level, at Huntington Lake and at the headwaters of the Kern River.

Even under these strenuous conditions, the cost of operation of Studebakers has been remarkably low. Lower, in fact, than that of lighter cars used entirely for boulevard and city work.

Unit-Built Construction

Studebaker dependability is the result of Unit-Built construction under the One-Profit manufacturing system.

All vital parts for Studebaker cars — all engines, bodies, gear sets, differentials, springs, steering gears, transmissions, axles, gray iron castings and drop forgings — are made in Studebaker plants.

The result is a Unit-Built car. Because all parts are designed and built into one harmonious unit, the Studebaker functions as a

unit. This gives much longer life, with scores of thousands of miles of excess transportation, greater riding comfort, minimum repair costs and, finally, higher resale value.

One-Profit Values

Another important result is the extra value made possible by One-Profit manufacture.

By making all vital parts in its own plants, Studebaker cuts out the extra profits and overhead of outside parts and body suppliers. These savings go to the purchaser in the form of much higher quality at much lower prices.

In addition, Studebaker values are stabilized by the "No-Yearly-Models" policy which keeps Studebaker cars up to date all the time, regardless of the calendar.

These policies of One-Profit manufacture, Unit-Built construction and "No-Yearly-Models," enable Studebaker to build cars which stand up under the trying conditions of fleet operation.

A New-Type Open Car

The Duplex models, exclusive with Studebaker, are particularly adapted for the use of salesmen and field workers. Fitted with Duplex roller side enclosures, they provide open-air airiness with closed-car protection. All curtain trouble is banished, the enclosures rolling up or down in 30 seconds.

Studebaker "No-Yearly-Models" Policy

Stabilizes Studebaker Values



Buddy Akers, (M. A.). No, M. A. isn't a college degree. It stands for Manufacturer's Agent, which Buddy in all truth really is. If The Bell Co. sends him an inquiry from somebody in his territory, does Buddy tear a page ad out of the trade papers or the catalog and mail it with a letter as many M. A.'s do? Not a bit of it! What he does send is better than a letter and enclosure. It somehow seems to bring the far-away manufacturer right into the locality where the inquiry came from.



All the patrons of Russell Gardner's retail store receive many excellent letters during the year from R. G., but Russell never sees or writes them. He can't write a good sales letter. He's a real Jim Henry in his store but no word wizard when he has to write. How does he do it?



Jim Calloway sells many articles by mail. Some items couldn't pay out when ordinary letter campaigns were used. How could he get away from red ink on those items?



A. Z. Ltd. used to explain the annual campaign once a year. After that, rivals who coveted their retail outlets would come along and tell the trade about THEIR campaign. Their retailers were constantly exposed to dangerous competition contagion. What could they do in a case like that?



When the G. M. finished sweating over the new design, a series of letters to their general list showed unmistakably the five industries which needed the model most. How could these five industries be cultivated at a minimum cost?

Get the answers to these five problems —

Here are five problems that actually arose. Some to be decided by manufacturers—some by retailers—some by agents. The answers to these and many other questions as actually worked out by real concerns are given in the Handbook of Illustrated Letters written out of the experience of hundreds of business men. The Handbook is free. It is written to encourage the use of illustrated letters in general and TWO-

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Bound Volumes: There are thirteen issues to a **SALES MANAGEMENT** volume, beginning with the first issue of January, and the first issue of July. These volumes, bound in buckram, may be ordered for delivery at the conclusion of the volume. Price, \$5.00, postpaid.

Back Bound Volumes: Bound editions of Volume VI, containing the issues of July to December, 1924, and Volume V, containing the issues of October, 1923, to June, 1924, may be obtained from the office of publication, 4660 Ravenswood Avenue, Chicago. Price, \$6.00, postpaid.

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Give Your Salesmen a Good Reason for Making Call-Backs

It's seldom your salesmen can land the *quantity buyer*—the really profitable order—with one call. Have you given them a *plan* for making systematic, regular call-backs, or do you let the big orders slip out of their hands because they failed to *follow-up*?

Here's a Plan Used by the Malcomson Coal Company

They sell steam coal in carloads to hotels, apartments, and other big coal users. After the first solicitation, the salesman NEEDS an excuse to call back. To help Malcomson salesmen, the president supplied each with a quantity of LUX-ART Personal Memorandum Pads—carrying on each page of the filler, the Malcomson sales message.

Today over 500 prospects for Malcomson Coal are calling them by phone periodically, asking for re-fills for their Personal Memorandum Pads—thus giving the salesman an opportunity to deliver the filler, and tell his story again and again until he lands the order.

We have a plan for you, in your business, to help you help your salesmen sell the big, profitable order.

Just tear coupon below and mail. By return mail we will tell you the details of the Malcomson plan, and suggest a sales plan for you.

Write for Sample to:



U. S. ART BINDER CO.

225 C-2 W. Ohio St., Chicago, Ill.

We are interested in a plan for using your Personal Memorandum Pads to open big accounts. Without obligation on our part send complete information.

Name _____
Title _____
Company _____
Address _____



—Courtesy, The Pullman Co.

PERCY WILSON, general sales manager of Frederick H. Bartlett Realty Company, Chicago, with whom he has been associated since 1907, has organized the real estate firm of Percy Wilson and Company in Chicago. Mr. Wilson remains on the board of directors of the Bartlett organization.

JOHN SULLIVAN, for many years secretary-treasurer of the Association of National Advertisers, Inc., New York City, has opened an office in New York City for conducting his business as marketing counsel.

GEORGE O. LEONARD has been made manager of the research department of the Campbell-Ewald Company, Detroit advertising agency. Mr. Leonard was formerly engaged in sales promotion work for the B. F. Goodrich Company, later was advertising manager for the Dafoe-Eustice Company, and for the past six years has been with Campbell-Ewald in minor executive capacities.

The Periodical Publishing Company, Grand Rapids, announces the appointment of EAGLE FRESHWATER as editor of *Furniture Record*, succeeding ROSCOE R. RAU, who leaves to become executive secretary of the National Retail Furniture Association, with headquarters in Chicago.

H. S. VANCE has been appointed vice president in charge of manufacturing for The Studebaker Corporation of America, succeeding M. F. Wollering, resigned. Mr. Vance joined the Studebaker organization in 1910 as a mechanic apprentice and has since risen through various executive positions to sales manager, which he leaves to accept his present appointment.

The Westinghouse Union Battery Company, Swissvale, Pa., announces the following changes in its executive organization: D. W. SOUSER, formerly office manager, has been appointed assistant to the vice president and general manager. G. B. CUSHING, formerly manager of sales promotion, has been appointed assistant general sales manager. G. P. HALL, formerly manufacturers' sales representative, has been appointed manager of manufacturers' sales, with headquarters at Detroit.

The Trico Fuse Manufacturing Company announces the addition to their sales organization by the appointment of HERBERT E. HARKSTEIN as eastern sales manager, PHILIP RYPINSKI as central sales manager and FRED C. GEILER as western sales manager.

A. H. JAEGER, for the past several years manager appliance division of the Edison Electric Appliance Company, Inc., Chicago, has joined the Leonard Refrigerator Company, a constituent company of the recently formed Electric Refrigerator Corporation. He will take charge of the sales work in association with F. A. Harvey, vice president. Mr. Jaeger is president of the Chicago Sales Managers' Association.

T. B. NILES, formerly head of T. B. Niles, Inc., New York City, has been engaged by the research council of the Ice Cream Industry as manager. Mr. Niles will have charge of their forthcoming national educational publicity campaign.

E. L. PARSONS has resigned as sales manager of the Baldwin Chain and Manufacturing Company, Worcester, Mass., and is returning to Chicago to enter another field of work. Mr. Parsons was formerly with the Jeffrey Manufacturing Company, Columbus, Ohio; and H. W. Caldwell and Son Company, Chicago, both companies being manufacturers of material handling machinery.

C. W. HADDON, general sales manager of Velie Motors Corporation, Detroit, and formerly with Maxwell and Chrysler, has been appointed to the executive staff of Copeland Products, Incorporated.

WILLIAM C. BARDENHEUER, for several years vice president and sales manager of Boorum & Pease Company, Chicago, blank book manufacturers, has joined the Wilson-Jones Loose Leaf Company, Chicago, as staff representative.

The Gardner Motor Car Company, St. Louis, has elected COL. HALSEY DUNWOODY vice president and general sales manager. Col. Dunwoody was formerly vice president of the Finance & Trading Corporation of New York.

R. T. ARCHISON, vice president of the Central Advertisers' Agency, Wichita, Kansas, succeeds C. R. WINTERS, president of that agency who had just resigned.

Sales Management

A Dartnell Publication



Volume Ten

Chicago, April 3, 1926

Number Seven

Fixing a Price Policy for a Fast Growing Business

"We could have reduced the price as volume grew, but raising the quality proved most successful and volume of sales increased fifty times in twelve years"

By H. E. Waldron

Vice President, The W. A. Sheaffer Pen Company, Ft. Madison, Iowa

MOUNTING sales volume brings three problems to every manufacturer. If his business is well managed, an increase in volume should bring a higher percentage of profits.

This being true, he has three alternatives in determining a price policy. Bigger volume should enable him to reduce prices without cutting the quality. Or it should enable him to improve the product without raising the price. If he is content to drift along without aggressive advertising and sales effort, if he is willing to forego future increases in sales for immediate profits, he can take out the additional profits and continue selling the same product at the same price.

We believe the answer to this problem of prices is also the answer to the future success of any business. Early in the history of our business we threshed out this problem and made our decision. Sticking to it, is, in my opinion, one of the reasons why our business is today enjoying a volume of sales nearly fifty times as great as our volume in 1913, the year the business was established.

Our first Lifetime pen was made to sell at \$8.75 retail. We made it as well as we knew how. The first year our total sales were \$100,926.82. Sales on our \$8.75 pen were very small, the larger majority of our volume having been done on the \$2.75 pen. At the present time our sales are running in excess of five million a year, more than one-half of which are on Lifetime \$8.75 pens. The second year of our business sales doubled, and in each succeeding year (except 1921) sales have shown a very substantial gain.

Better Quality for the Same Price

Today, in spite of a volume of sales approximately fifty times as great as in 1913, we have not reduced prices. The Lifetime, which is the leading pen in our line, continues to sell at \$8.75—and at the present time our sales on this pen are as much as those on all other Sheaffer pens combined.

As our volume increased, we started in to see what features we could add to lift our pen above the general run of pens. We felt that the surest and soundest way to still bigger volume was a better pen.

We began making a check of all pens returned for repairs. One of

the first things we found was that the caps on the pens were breaking. The hard rubber was brittle and in usage, the lower ends of the caps were constantly being broken. So our first step in bettering the pen was the addition of a gold band near the lower end of the cap. This band strengthened the caps so that breakage was almost eliminated.

This gave us a new sales feature—something to talk about and something to demonstrate. Sales increased immediately. At first there was some doubt in our minds about this improvement. We thought perhaps we would have to raise the price, but the added volume which we obtained as a result of this improvement soon absorbed the extra cost.

In this way we laid down one of the fundamental policies of our business—not to wait for added volume before we improved the product. If we can find a way to add another improvement, we go ahead and add it, even though it may mean a temporary reduction in profit. Our experience has shown this to be a safe policy because each new improvement has brought enough additional sales

to take up the added cost of manufacturing.

Our first gold band was not enough, so we soon added a heavier and bigger band. As sales continued to mount to new levels, we began seeking a better material for use in the barrels. We wanted something that would be unbreakable, so we began making the pen of Radite, an unbreakable material.

Improving the Product

Then we added a heavy gold clip instead of a nickel clip, the cost of which was much greater but the satisfaction to customers convinced us it was money well spent.

It had always been our ambition to sell a pen which we could guarantee against breakage in any way. We had given the pen the name of Lifetime, and we wanted to guarantee it for a lifetime, but until these, and other improvements had been made, we never felt equal to making such a sweeping guarantee. As volume increased, we saw that it would bring still more business to make a sweeping guarantee against breakage of any description. Today our pens are guaranteed unconditionally. When a customer brings in a damaged pen, without any question whatever he gets a new pen, if the old one is beyond repair. And whenever repairs of any kind are made, no charge is made to the customer. Of course this guarantee costs us money, many thousands of dollars annually. Doubtless some people abuse it to a certain extent, but on the whole the public is very fair and regardless of the cost, we will continue our policy.

If we had made no improvements on our old pen, with our present improved equipment and large sales organi-

The Sheaffer advertising policy insures the growth of the business, for as fast as sales increase, the advertising appropriation is automatically increased from month to month. The accompanying chart shows

zation we probably could sell it today for \$5 without the guarantee, but it would then be "just another pen," with no sales points, no real distinctiveness, and there would be no special reason why our dealers should push it. So we feel that our policy of raising the quality instead of lowering the price has been one of the fundamental reasons behind the success of our business.

The improvement of the product is by no means the only reason for increased sales, although, of course, the product itself is the real foundation of the business. The selling plan plays an important part in sales volume. From 1913 to 1918 the only advertising we did was the giving away of pens to new dealers. Whenever one of our salesmen called upon a dealer and failed to make a sale, the salesman gave him a pen, and said, "I'm sorry I have been unable to convince you that you should sell this pen. I want you to take it, use it, give it every test you can think of. I'll be back to see you later. Perhaps you will have convinced yourself that you want to come

with us and sell Sheaffer Pens."

This plan was followed successfully for the first four years. Then we began advertising in 1917. With this added incentive our sales began to grow as they had never grown before. Having laid the foundation, advertising proved to be the impetus which the business needed. Sales in 1917 showed a gain of \$130,976.13.

Our Experience with Advertising

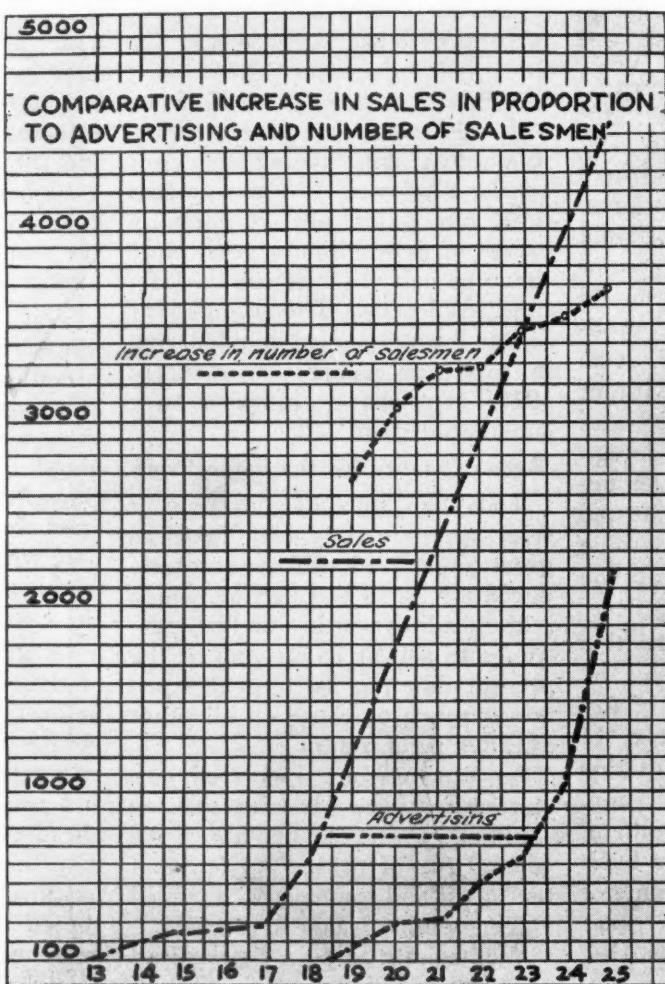
But it was not until 1918 that our advertising began to get in its real work. Sales in 1918 showed a gain of \$380,666.34, yet in this year we spent exactly \$311.43 less for advertising than we did in 1917—which shows that the 1917 advertising expenditures brought cumulative results which reached well over in 1918, the second year we advertised.

Out of this experience grew another fundamental policy with regard to advertising. We saw that one year's advertising bring results well into the next year, and if the business was to grow as we wanted it to grow, we should not hinder a successful year's sales by basing our advertising appropriation on the preceding year's volume.

Most concerns, for example, spend a certain per cent of 1925 sales for 1926 advertising. But that is only where we begin. Our 1926 advertising appropriation is a certain per cent of 1925 sales, plus the same percentage of 1926 increase. In other words, if our sales in 1925 were \$5,000,000, we would have a certain per cent to spend for advertising in 1926. But if in January, 1926, we exceeded January, 1925, sales, we would add the same percentage of the increase

(Continued on page 530)

how the business grew when advertising started—how the sales increased in proportion to the number of salesmen employed. The vertical coordinates stand for percentages; the horizontal are yearly dates.



“Our Men Sold More When We Cut Their Territories”

Profit Sharing Compensation Plan Expedites Cutting of Territories Without Loss of Salesmen's Good Will

By Ruel McDaniel

RECENTLY the Ferris-Dunlap Company, automotive accessory and equipment jobbers of Dallas, Texas, cut some of its salesmen's territories almost in half. Most of the men had their fields sliced materially. Yet none of them objected to the cut. Some of them frankly praised it, and the leading man of the force voluntarily requested that his territory be cut practically in half even before the cut was seriously considered.

Hand-to-Mouth Buying Problems

Cutting territories to increase sales is not new, but how it happens that Ferris-Dunlap salesmen were so willing that their fields be cut is another story, a story that ought to hold interest for others who are still wondering if their remuneration plans are right.

“We had thought for some time we were making a mistake by sending a salesman over territories that were too large,” explained Ray Simpson, vice-president and sales manager, “and this experiment confirmed our belief. The tendency seems to be toward cutting territories in most lines of selling, and our experience had taught us that not only modest cuts, such as some firms have employed, but major cuts are profitable.

“I don't think dealers ever will get back to the point where they buy in as large quantities as they did before the World War; and perhaps it is just as well they do not. This means that the firm who sells to them must be on the ground more often than formerly in order to be there at the time the small stock of goods has been sold and the customer is ready for his next order. Salesmen can't be on the ground at the logical time if

they must cover great territories, as they did with ease a few years ago.”

One territory especially distinguished itself when Ferris-Dunlap cut it in two. The salesman who covered the old territory took one of the two new ones, and another man was moved from another territory to the other half of the old run. They were both rated as good men. Yet the two men almost doubled their sales as soon as they got on the new schedule, and the territory produced nearly four times the business it had formerly turned in.

Other cuts proved almost as startling. In no instance, declared Mr. Simpson, did a salesman's volume of business drop as a result of having his field reduced; and in each case where two or more territories were carved to make still another field, the new section produced as much or more business as any of the old ones of which it was formerly a part, while the shrunken territories produced as good or better returns.

More Attention for Customers

“When we went into the matter and compared the methods of the men under the new plan with those of the old system, we could better understand the increase in sales. Formerly the men's territories were so large that in order to get around with a fair degree of regularity they had to rush through. They used their limited time in salutations and good-byes, with no time left to sell goods.

“Under the new plan every man had ample time to stop and talk things over with his customers. He can go into details about new lines, and suggest plans for helping the sale of staple items. Now

the salesman can give his customers real service and still see all of them more often than he did formerly.”

Ferris-Dunlap salesmen are paid on a profit-sharing basis, a plan which has been signally successful, and that explains much of the willingness of the men to have their territories cut.

The salary consists of a certain percentage of the gross profits made from monthly sales, varying from 20 per cent to a maximum of 33 1/3 per cent.

The Compensation Plan

Why there is a variance in commission is obvious. Naturally the men who cover the city of Dallas and surrounding larger towns can see more customers at less expense than those in the thinly populated sections of Western Texas; and it is, of course, easier to sell near the home office than in a field far removed from home and a part of some competitor's natural territory.

Out of his part of the gross profits the salesman pays all his expenses. All the men travel by automobile, and they own their own cars and pay for the operation of them entirely. The company pays all advertising costs and all overhead and general expenses outside of selling. Mr. Simpson pretty well covers the ground when he says, “The house pays all inside expenses, the men pay all outside costs.”

Adjustment of profits is made monthly. There is no drawing account during the month, the company maintaining that the man who comes up to its specifications ought to be financially able to carry on for at least a month on his own resources when he begins

(Continued on page 532)



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One proof of the effectiveness of the Maytag sales plan may be found in this order, from one dealer, for a solid trainload of washing machines. They are valued at approximately \$500,000. The company expects to reach a quota of \$50,000,000 worth of business for 1926. The backbone of the Maytag plan is a force of "resalemen" who work out of the dealers' stores selling direct to the consumer. These men make such sales as the one pictured above, possible.

Why Our Sales Increased \$34,000,000 in Five Years

Eliminating Three-Fourths of Our Retail Outlets Enabled Us to Raise Annual Average Sales Per Dealer From \$87 in 1920 to \$12,500 in 1925

By L. B. Maytag

President, The Maytag Company, Newton, Iowa

IN 1920, when we sold every dealer we possibly could influence to buy one or more of our washing machines, we had 11,500 dealers on our books. Our total annual sales were approximately \$1,000,000.

In 1925, when we sold only such dealers as we carefully selected—those who would agree to install our method of selling—we had only 2,800 dealers on our books. These 2,800 dealers gave us a total annual volume of \$35,000,000. The figures for both years are based on the retail value of the machines.

Approximately one-fourth as many dealers sold thirty-five times the volume in 1925 as in 1920, or, to put it another way, sales per dealer in 1920 amounted to approximately \$87—in 1925 sales per dealer totaled \$12,500.

This increase in business is the result of a change in our method of doing business. Instead of selling to the dealer, we began in 1922 selling to the consumer, through the dealer.

It is true, we brought out a new machine in 1922 which has been a big help—the improvement in the

quality of our machines has been obvious.

Without a superior machine, I don't know what our sales would have been, but in my opinion our present selling plan is most important of all, for without it we could have had as good a machine as we now have, and our sales, under our old plan of selling, would have shown but a fraction of the increase we have enjoyed.

To understand the various phases through which our business has progressed, it is necessary to go back over the history

of our company. In 1894 we started making and selling self-feeders for threshing machines. Our device was sold to the threshermen through dealers. It was a seasonal business, the manufacturing season lasting from about February until August, the selling season from April until October.

In looking for something to fill in the year, we started making a crude hand washing machine in 1908. It was sold to the farmers through the same dealers who handled our self-feeders. In 1910 we added a machine which could be run by a gasoline engine with belt power. At the same time we developed the swinging wringer, which is used on so many machines today, and on which we receive a royalty from many other washing machine manufacturers.

Later we developed a washing machine with a small self-contained gasoline engine. All this time our washing machine business had been growing, until, by 1918, we found we were the largest manufacturers of washing machines sold to the farm trade. Then we began to study the city markets. In 1918 we brought out a cylinder washing machine and began cultivating the metropolitan territories.

By 1919 there were many other manufacturers in business and the market became saturated before we realized it. We found dealers loaded with machines everywhere. What chance had we to sell another machine? Jobbers

were similarly loaded, and so far as breaking into the market with another machine was concerned, our chances seemed hopeless.

We were spending a good deal of money in national advertising, making an effort to sell to any and all dealers, some jobbers, some distributors—in fact, we had no clearly conceived plan of marketing. By 1920 the situation began to look hopeless. So we started in to find out just what we wanted to

do—just whom we were going to sell to, and how we could get our machines to the consumer in the quickest, shortest, most economical manner.

It was obvious that the machines must be sold to the consumer. We asked ourselves whose job it was to sell to the consumer. We considered the jobber carefully. Most jobbers were at that time loaded with washing machines. They were uninterested in another. So we decided to stop trying to sell to them. Then we made an analysis of the dealer situation. Facts showed that we could not get along without the dealer.

We needed him to carry stocks, to service machines; we needed his local reputation and influence. But it was again obvious that the dealer would not, of his own accord, make a successful distributor. The more we studied the situation, the more we realized our only salvation lay in doing the major part of the merchandising job ourselves, or in giving the dealer a plan and a method to merchandise properly.

It was then we decided to build our own organization of salesmen to work out of dealers' stores. Briefly, here is the plan we offered the dealers: we will furnish you a trained salesman who will devote all his time to selling washing machines. The dealer pays this man's salary, and we pay him a bonus. These men—resalemen, we call them—are recruited, trained



F. L. Maytag is chairman of the board and founder of The Maytag Company of Newton, Iowa, whose output is nearly one-third of all the washing machines sold in the United States. Although his son, who prepared this article, is president of the company and actively in charge of sales, Mr. Maytag takes an active part in the direction of the sales organization. He travels from one end of the country to another and is constantly in close touch with his sales organization.

Mr. Maytag believes that the company's sales plan is largely responsible for its remarkable growth. "Sales are made in the prospect's home, not on the dealers' floor," he says, "and when we made it possible for our dealers to take the product to the home, instead of waiting for the prospect to come to the store, our sales really began to grow."

INTRODUCING Mr. Waldron and Mr. Sheaffer

ON the cover of this issue, Mr. Harry E. Waldron and Mr. Craig R. Sheaffer of the W. A. Sheaffer Pen Company, are found discussing 1926 market strategy which will maintain the steady, upward climb of the sales curve.

Mr. Waldron, who is vice president and general manager of the company, hails from Texas, where his business career began twenty years ago in the wholesale and retail grocery field. In 1910 he became president and general manager of the Brown Grocery Company, operating a wholesale grocery business in connection with a chain of retail stores in Oklahoma and Texas. Four years later he disposed of his mercantile interests in the South and became associated with the Sperry & Hutchinson Company of New York City, as district manager, with headquarters at Chicago. Severing connections with this company in 1916, he joined the W. A. Sheaffer Pen Company of Fort Madison, Iowa, in his present capacity. Under his direction a sales department was organized with a few men. Since this time the business has grown to where the company is now using seventy-five salesmen, covering the entire United States and some of the foreign countries.

Mr. Craig R. Sheaffer, seated at Mr. Waldron's right, is treasurer of the company. After he was graduated from Dartmouth, Mr. Sheaffer was appointed vice consul to Cuba, where he remained in the consular service until he joined the Sheaffer organization. He served in almost every capacity at the factory prior to his becoming active in the management of the affairs of the company.

and supervised by the Maytag district managers.

From the start this plan was successful. Instead of selling a dealer washing machines we sold him a method. One of the first things we did was to induce our dealers to segregate the washing machine department, and charge it against a proportionate share of rent, overhead and operating expenses. We wanted him to know exactly what he was making on the sale of our machines.

We have worked out a complete system whereby we can tell a dealer just how much he should spend per machine for sales costs, how much profit he should make, and how much it should cost him

for every phase of the washing machine business. In this way we can show every dealer just where his profits come from, or just where his losses, if any, occur.

This plan simplified our selling. We did not have to sell washing machines to a dealer. Our resalesmen sold washing machines to the consumer. Building our own sales force, has given us complete control of sales. Our organization now consists of approximately 2,800 dealers, 3,000 resalesmen, 200 district managers, 17 divisional managers, and 7 branch managers.

The resalesmen do not spend all of their time working for one dealer. Some towns are, of course, too small to keep a resalesman

busy all of the time, so we rotate them from town to town. The resalesmen for the smaller dealers often start in spending a period of a few weeks at a time in one town or territory. As business increases, many of these smaller dealers are built up to the point where they need a resalesman twelve months a year. Many dealers who started with one resalesman now have several.

Each dealer has a franchise which clearly sets forth all agreements between the dealer and the factory. Every dealer has a restricted territory; no other dealer can come into his territory and sell our machines. In this way we have no trouble with price cutters,

because there is no reason for a dealer to sell at other than our suggested prices.

In 1920 we canceled all advertising until such time as we had a better plan of distribution. From 1920 until the fall of 1924 we did very little advertising—practically none, although, of course, our dealers did some local advertising.

Sales had been growing. In 1920 sales were \$1,000,000; in 1921, \$2,000,000; in 1922, \$4,000,000; in 1923, \$8,000,000. So by 1924 we felt that our dealer organization had been developed to the point where we could resume advertising. We began asking our dealers what kind of advertising they wanted. Many suggestions were offered. We had intended to resume national advertising along the lines we had followed when it was discontinued in 1920.

Many of the dealers wanted local advertising, which they felt would be better than national advertising. It seemed that dealers were sickened on a steady diet of advertising portfolios which salesmen for dozens of other lines were constantly showing. They wanted to see and feel the advertising itself, instead of the portfolios showing reproductions of coming advertising campaigns.

The Dealers and the Advertising

As a result of our dealers' advice, we started a campaign of newspaper advertising in major markets in the fall of 1924. In all of this advertising local dealers' names were mentioned. We checked the circulation of all newspapers very carefully so that the name of every dealer whose territory received as many as twenty-five copies of a newspaper, was listed in the advertising. Thus a dealer in Minnesota might have his name mentioned in a Milwaukee, a Chicago, a Minneapolis and a Des Moines newspaper.

From the start of the campaign sales began to pick up noticeably. Dealers liked this sort of advertising. Prior to our own advertising, our dealers had been doing some advertising on their own account, even though it was haphazard and poorly planned. Our district managers found that almost every

dealer was willing to do a certain amount of advertising, provided he was constantly prodded. Most dealers were always "too busy" to plan advertising.

When a district manager visited a dealer he usually brought up the subject of advertising and urged the dealer to do some advertising on his own account. The dealer usually agreed, and inserted a few advertisements. But there was no systematic plan. A few insertions were usually run after the visit of the district man, and then the dealer forgot all about advertising until prodded again.

Why We Changed Policies

To overcome this situation we rearranged our discounts so that we could allow five dollars per machine for the dealers' own advertising. Our agreement was that we would set aside five dollars for every machine sold. The dealer was authorized to insert advertising locally and, when he sent us the received bills, we would reimburse him with a check, or for as much of the bill as our five dollar allowance per machine totaled.

We thought this plan would insure plenty of advertising on the dealer's part. But it worked little better than having the dealer pay for his own advertising. Either the dealer wasted the money on "stunt" advertising, or he neglected to advertise at all, or he used his advertising for other lines or products, and expected us to pay the entire bill even though he'd run a full page advertisement announcing the removal of his store, and saying nothing about Maytag washers, other than to run the Maytag logotype under his signature. Some dealers had bills padded by the newspapers; other dealers went to extremes and bought pages to print pictures of themselves and their clerks. Of course, this advertising was useless. Many dealers paid no attention to their advertising allowances which were piling up. We soon had a huge contingent liability, representing the five dollar allowance for advertising for each machine sold. In order to force the dealers to use this money, we put a ninety-day limit on the

allowance. Even then the money was not properly used.

To stop this waste we withdrew the allowance—that is, we stopped permitting the dealer to advertise according to his own whims and fancies. In place of allowing the dealer to place the advertising, we added a great many newspapers and a number of sectional and state farm papers. We are now using a total of 1,600 newspapers. We have what we call a list of primary papers, 154 in all, which are the backbone of our campaign. These newspapers will be used 20 times in 1926, space averaging about 700 lines per insertion.

Dealers' names are still mentioned, not only in the newspapers, but in the farm papers as well. Under this plan practically every prospect in any dealer's territory is reached. For example, in Carlinville, Illinois, a town of about 5,000 population, the dealer's name is mentioned in the "Chicago Tribune," which has a circulation there of 190 copies; the "Springfield State Register," which has a circulation of 256 copies; and the "St. Louis Post-Dispatch," which has a circulation of 166 copies. In addition to this newspaper coverage, we are using both the "Orange-Judd Farmer" and the "Prairie Farmer," both of which have considerable circulation in Carlinville.

Have No "Dealer Problem"

In Ashland, Wisconsin, a town of approximately 11,000 population, our local dealer's name is listed in the "Milwaukee Journal," "Superior Evening Telegram," "Chicago Tribune," "Duluth Herald," and the "Minneapolis Tribune," as well as the "Wisconsin Agriculturist," and the "Wisconsin Farmer." The newspapers alone have a circulation of 1,532 copies in Ashland, in addition to a good coverage by the farm papers. This plan carried out in all territories where we have dealers, gives us a thorough coverage and tie-up, and eliminates the waste which occurred when much of our advertising was left in the hands of our dealers.

In our work with our dealers we have constantly kept in mind that our job is not to sell machines to

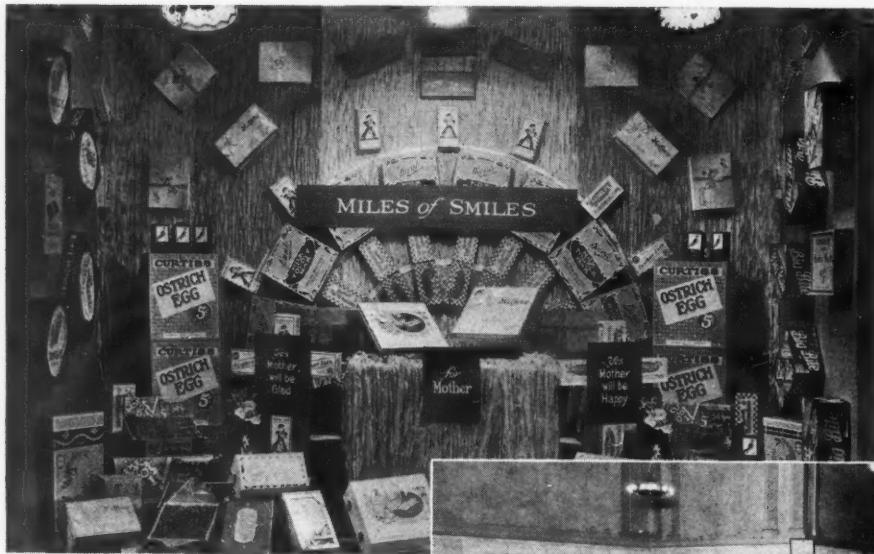
(Continued on page 538)

A Survey of Merchandising Trends in the Confectionery Field

The Seventh of a Series of Reports Dealing with Some Present Revolutionary Jobbing Practices in the Principal Lines of Business

By Roy W. Johnson

Eastern Editor, "Sales Management" Magazine



Photos courtesy Boyle's Candy Publications

Two examples of the importance many stores now attach to the sale of "bar" candy goods.

WHAT strikes me as the most interesting, and possibly the most significant, development in the distribution of confectionery is the invasion of the field by the tobacco interests. I say possibly, because it is a rather difficult matter to pass judgment on the relative importance of events in a market so broadly diversified as this. But the tobacco people are merchandisers of somewhat extraordinary caliber, and the merchandising technique that has been perfected in connection with cigarettes, cigars and smoking tobacco is being applied on a very broad scale to the sale of confectionery.

This is taking place not only in the retail field, as evidenced by the success of the Happiness Candy Stores in building up a business of close to \$8,000,000 annually in five years, and in the intensive



merchandising of candy through the United Cigar Stores. Reports that I have received from more than thirty jobbing territories indicate that the tobacco jobber is rapidly increasing in importance as a distributor of confectionery.

Many of these reports indicate that a good deal of hard feeling is being engendered on the part of the old-line confectionery jobbers, and in some instances attempts have been made to boycott the manufacturers whose goods were sold through the tobacco distributors. These efforts do not appear to have met with any great degree of success, however, and so far as I can judge from the evidence that

is available, the old-line confectionery jobber seems to be losing ground about as fast as the tobacco jobber is gaining in strength—at least so far as the highly profitable bar business is concerned.

That, it is hardly necessary to state, has nothing to do with the Eighteenth Amendment or the Volstead Act. It refers specifically to one of the three major or grand divisions of the confectionery business—package, pail and bar. The package business, obviously

enough, includes the more or less high-brow assortments that are sold by the pound in containers packed at the factory. The pail business includes those varieties that are sold in bulk to the retailer, who puts them up in his own packages or scoops them out of the counter trays as desired.

The bar business, on the other hand, includes all that vast and varie-

gated conglomeration of five and ten-cent items designed to tempt the casual appetite of the purchaser who happens in for something else. It takes its name, obviously enough, from the familiar bar or slab of chocolate in combination with various other ingredients, but included within the term is a large assortment of other things, ranging from cough drops to salted peanuts, from after-dinner mints to lolipops and gum drops.

Generally speaking, these items are sold in original packages, and are displayed on open counters where customers can help themselves. Of late years this bar

business has been developed to extremely large proportions. Vigorous and intensive work on the part of manufacturers, brokers and jobbers has resulted in establishing profitable outlets for this class of merchandise not only in stores which ordinarily sold candy, but in a wide variety of other stores as well: newsstands, stationery stores, cigar stores, bakeries, fruit stands, billiard parlors, gasoline stations, roadside hot-dog stands, and so on.

J. S. Bates, the vice president of the Smith Brothers Company, told me in an interview not long since, that the familiar brand of cough drops was on sale in more than 750,000 retail outlets, including at least one Chinese laundry. Since the ladies have taken to patronizing the barber shops with such enthusiasm, it is not at all uncommon to see a moderate display of bar confectionery alongside the cigarettes and the hair tonics.

The next time you visit a pay-at-the-desk restaurant, take notice of the display cartons of Life-Savers, or Love-Nests, or Peaks, or Mounds, or what-not, that are so suggestively arranged about the cash register. I have heard it said that there were at least a million retail outlets, all told, for this class of product, and I do not doubt it in the least. Practically everybody, man, woman or child, is a possible customer, and it is purely a casual sales proposition, requiring little

or no effort aside from the display of the goods within reach.

From the standpoint of the jobber, of course, this bar confectionery business is extremely attractive. It moves rapidly and repeats quickly on a comparatively small investment. It requires little storage space, practically no service expense, and enables the jobber to multiply his calls by three or four at least in any given town. A single popular and widely advertised item in this class will often pay the entire traveling expenses of a truck and driver-salesman.

Wagon Jobbers Crash the Gate

But that very fact has caused this branch of the business to become a bone of contention between various groups of jobbers, the principal invader being the tobacco jobber as already indicated. He is not the only invader, however. The drug jobbers and the grocery jobbers have also cast covetous eyes in the same direction, and have made off with some share of the business that the confectionery jobber is inclined to feel is his "by rights."

The distributors of cakes and cookies have done the same thing to a lesser degree, it appears. In addition, a whole flock of newly fledged truck or "wagon jobbers" have crashed into the arena, devoting their attention exclusively to three or four or half a dozen popular items in this class, and in some instances calling almost

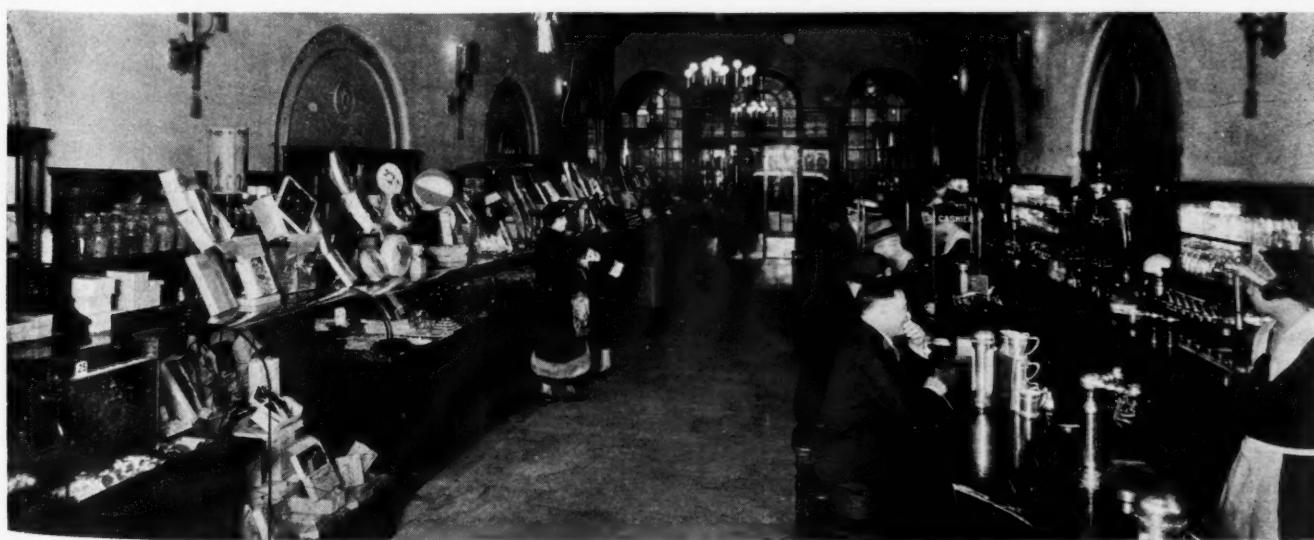
exclusively on one or two classes of trade—for example, billiard rooms and restaurants.

To a very large extent, this branch of the business is carried on a cash and spot delivery basis anyway, and this is an advantage from the standpoint of the tobacco jobber. He is organized to do business on that basis, and it is no trick at all to carry an arm-load of bar confectionery into the store along with cigarettes and pipe tobacco, and dispose of it without any variation in routine. With his well established route, his knowledge of the trade, and his thorough training and experience in this particular type of selling, he has a considerable advantage.

Furthermore, the business is particularly attractive to the tobacco jobber, because the profits on his main line are so rigidly controlled. The bar confectionery business appeals to the tobacco jobber as an opportunity to make some "real money," and I know of at least one instance where the tobacco line has been abandoned entirely after a few years' experience with the candy as a side-line.

To a certain extent, here and there, the tobacco jobber has also edged himself into the more dignified package division of the business, but the real battle ground up to the present, at least, appears to be the bar business. And it is a battle ground, from all accounts.

The confectionery jobbers are pretty well organized, and I am



It is hard to say whether this is a candy store with a "luncheonette" business as a side line, or a restaurant, with candy as a side line.

told that they are unqualifiedly sore over the raiding of what they consider a part of their legitimate prerogatives. This, obviously enough, places the manufacturer of bar confectionery in a position that is rather embarrassing at times, and there is often a good deal of explaining going on—as to how it happens, for example, that the trucks of the Squeejee Tobacco Company are busily delivering display cartons of Crunchits, when

known throughout the trade, although they are often supposed to be very profound state secrets.

At the same time, this widespread promotion of the bar business is bringing about some interesting developments in the retail field. There seems to be a pretty general agreement that the exclusive confectionery store—the candy store of fragrant memory—is gradually disappearing except in the larger cities. And even there

type of store, the drug stores, cigar stores, and cigar stands in hotels and restaurants.

Generalizations are likely to be extremely dangerous in a field so broad as this, and one in which so many different cross-currents are at work. However, a careful comparison of the reports from manufacturers and jobbers, the country over, indicates that the following represents at least the majority opinion in the trade:

The exclusive confectionery store is gradually decreasing in importance as an outlet, by reason of the increased competition on the faster moving lines (the bar business). It is also losing a good deal of the pail business (in which there is a long profit) to the ten-cent store, the department store, and in some places to the grocery store.

The drug store is gaining faster than any other outlet, according to the reports; mainly in package and bar items. The reports do not indicate, however, that this business is being developed by the wholesale druggists to any extent. It seems to be the result of intensive work on the part of the manufacturers of confectionery, aided by the confectionery jobbers. The tobacco jobbers are getting some of this business through their ability to make spot deliveries every few days in small quantities.

Newsstands Gaining Rapidly

Newsstands are gaining very rapidly, especially in connection with bar items. A number of manufacturers are giving special attention to the development of this type of dealer, especially in locations in railroad stations, trolley or bus line waiting rooms, elevated and subway stations, and the like. The newsstands are also making considerable progress in developing the package business, especially those stands that are operated in chains.

Hotels are generally reported to be gaining in both bar and package divisions. Restaurants are also gaining in bar items, though apparently not to the same extent as the hotels.

Cigar stores are making marked gains in both divisions. As

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Candies on display next to the cash registers in United Cigar Stores have made the cigar chains a real factor in candy sales—as outlets for candy, particularly for the bar items, they appear to be developing almost as rapidly as the drug stores and newsstands.

the company has vowed and declared that it sells only to the "legitimate" trade.

The situation is troublesome enough, of course, when the manufacturer makes bar goods exclusively. It is considerably intensified when, as frequently is the case, the manufacturer is interested in all three divisions. For his package and pail business he needs the cooperation of the confectionery jobber. In fact, it is practically indispensable, if he sells through jobbers at all.

On the other hand, it is growing more and more doubtful if the confectionery jobber alone can give him the volume of bar sales that is required to manufacture at a profit. Various expedients have been adopted to meet the situation—such, for example, as the handling of the bar goods through a subsidiary under another name—which, I fancy, are pretty well

it is rapidly ceasing to be exclusively a candy store. Rents have increased to such a degree, and so much of the bar business has been taken away by the newcomers, that even the combination of candy and soft drinks is beginning to fall short.

The most skillful merchandisers in the field are admittedly the chain stores, and with the leaders in the field it is difficult to tell whether they are restaurants with candy as a side-line, or candy stores with a commissary department. Other chains have developed an extensive business in novelties and souvenirs, or sell cocoa, coffee, tea, etc., through the grocery trade. The tendency appears to be very definitely in the direction of candy as an out-and-out side-line, or candy plus a substantial side-line which will take care of the overhead. The bulk of the package business is done by this

What About Radio Broadcasting as an Advertising Medium?

Experiences of Eureka Cleaners, Consolidated Cigars, B. F. Goodrich, Gold Dust Corporation and Others

The First of Two Articles

By D. G. Baird

WHEN any new thing that affects a class of people is introduced, those concerned usually divide into two distinct groups: those who eagerly accept it and think it is the best ever—chiefly because it is new; and those who emphatically reject it and think it cannot possibly be any good—chiefly because it is new. This always has been true and probably always will be true. It has been true of religion, philosophy, scientific discoveries, inventions, social customs, labor-saving devices, buying, selling, advertising, and everything else that has affected a large class of people. Just at the moment, it is true of what is coming to be called broadcast advertising.

Broadcast advertising is still a new thing. The medium itself is only about five years old and it has been employed in a large way for advertising purposes by others than those engaged in the industry, for only about two years. It is only to be expected, therefore, that some should be ardent advocates of this new medium, while others consider it a bugaboo of the "buggiest" variety.

Quite a large number of big advertisers and innumerable smaller concerns are going ahead and putting their publicity "on the air," however, and others are beginning to ask all manner of questions about the subject.

Practically nothing has been printed in sales and advertising journals regarding radio broadcast advertising. For obvious reasons, it has been banned as one of the forbidden topics. "Sales Management" is the first paper to lift the ban.

Broadcast advertising does not supplant other forms of advertising. It supplements it. It will be noted from the experiences of these advertisers that many years have been spent in building up names and reputations for the products advertised before broadcasting was used.

Broadcast advertising probably offers little for the unknown product or firm, but when tied up cleverly and unobtrusively with widely known names, it offers possibilities. For example, the Gold Dust Corporation created two characters "Goldy" and "Dusty" to carry their radio message. Goodrich Silvertown Cords are advertised through the air by means of the Silvertown Orchestra. The most conspicuous broadcast advertising successes have been widely known advertisers, who have tied up broadcasting with other forms of advertising.

The most important question is, of course, does this new medium produce any direct results? Can anyone who has tried it say positively that it produced definite leads, actually sold goods, or even produced a proportionate amount of good-will? Is it anything more than another form of "name" advertising? How does one know whether he is getting any results?

A general survey just completed by the writer indicates that at least some broadcast advertisers are getting very definite results, that comparatively few who have given it a fair trial have discontinued it, and that others are rushing in as fast as they can get "space" in the medium.

A rather unusual example is afforded by a test conducted by the Los Angeles branch of the Eureka Vacuum Cleaner Company. The figures here quoted were first obtained from C. W. Kirby, assistant manager of Station WJR, and were confirmed by Charles E. Smock, advertising manager of the Eureka Vacuum Cleaner Company.

This branch arranged to put an excellent entertainment on the air through three Los Angeles radio stations, two weak stations and one powerful one; and arranged to have the announcer mention the offer to place a cleaner in one's home on free trial. No selling talk was attempted, the only intimation of this

being the credit given the advertiser for providing the program and the company's offer to put its product on trial.

Six programs were given and from these, 421 direct leads in the Los Angeles territory were secured, resulting in 144 sales. A single program, broadcast from Station KFI, a 4000-watt station, on the evening of October 26, 1925, produced 255 leads in Southern California, the territory served by this branch, and in addition, brought 117 from the upper part of the state, 168 from other states, six from Canada, and one from Hawaii; a total of 547 direct leads from a single program. The cost of each sale traced direct to this

broadcast advertising was \$6.35.

As already stated, this test was made by the Los Angeles branch of the Eureka Vacuum Cleaner Company. It proved so successful that, according to Mr. Smock, the company is now negotiating with the biggest broadcasting "network" in the country, with a view to putting on a national campaign of similar character.

The Consolidated Cigar Company thought to test the new medium by putting on a program and offering a little box of five cigars to everyone who wrote in, saying he had heard the program and would like to have the cigars. Six stations, in as many different cities, were engaged to put on eight programs. One station was to broadcast one night, another the next night, and so on throughout the week. In anticipation of a good number of replies, the adver-

tiser employed six girls to handle them.

Before many days, these six were supplemented by forty-four others, and the fifty girls were unable to handle the volume of responses. They were so thoroughly "snowed under," in fact, that the advertiser, after putting on six of the eight programs contracted for, arranged with the stations to wait several weeks before putting on the other two, to let the girls catch up—and to provide some more sample boxes of the cigars. Station WJR, a 5000-watt station with headquarters at Detroit and Pontiac, Michigan, alone received more than 11,000 letters in response to this offer.

The Arctic Ice Cream Company of Detroit began broadcasting about six months ago and discontinued its other advertising soon afterward. It claims that sales

have since increased approximately 10 per cent over the corresponding period of last year.

The B. F. Goodrich Rubber Company, Akron, Ohio, has been broadcasting regularly each week over the WEAF network for well over a year and one will hardly find a more enthusiastic advocate of this medium than L. A. McQueen, former advertising manager and now assistant general sales manager. This company first contracted for a six-weeks' "run" and it took particular pains to check up on results.

"We wanted to get a direct dealer tie-up, as well as something that would measure just how powerful a force radio was in arousing interest," Mr. McQueen said. "This we did by getting up a disc radio log, furnishing Silvertown Cord dealers with cards, then inviting radio listeners to go to these dealers, secure the cards, and mail them to us, whereupon we would forward the logs. This proposition was made by the announcer at the close of each program, when he would say something like this:

Dealer Tie-Up Through Radio

"You have been listening to the engaging dance music of the Goodrich Silvertown Cord Orchestra the last hour, and now a surprise is in store for you. The B. F. Goodrich Rubber Company, through whose courtesy this splendid dance orchestra is sent to you each Thursday evening, has developed a new disc radio log on which you can record your dial readings and find them again at any time, quickly, easily, with just a twist of your fingers. It is not a log book, but an attractive, practical device for keeping a record of your dial readings. Friends of the Goodrich Company may get these logs without charge in the following way: stop at a Goodrich dealer's store and get from him a card, which, if mailed to the B. F. Goodrich Rubber Company, Akron, Ohio, will bring you one of these logs.'

"Well, the fourth day after the first announcement was made, 14,000 cards came in! This means that 14,000 dealer-consumer con-

(Continued on page 528)



The Passion for Research

Time to stop and research the researchers, says Cheltenham Bold, who sees dangers of a good practice running itself into the ground

By Cheltenham Bold

LIKE other members of the human family, business men are prone to pursue and follow after the fads of the moment; also to swallow the popular panaceas without investigating much farther than the label on the bottle. Those of us who have been concerned with the advertising business for twenty years or more can look back upon a number of major or minor fads which for the time being were almost as devastating as mah jongg, and can recall without much effort some of the corresponding panaceas which were destined to take the uncertainty out of advertising forever.

There was, for example, the furor over "reason why copy" that was raised along about 1907 and 1908. Whether the product itself was designed to appeal to the taste, the convenience or the practical advantage of the public, the only advertising appeal that would serve was the appeal of cold-blooded logic. The breakfast food manufacturer wasted no space in telling readers that his product tasted good. He quoted statistics to prove that it was far superior in nutritive value to beef, pork or mutton.

The Craze for Reason

The maker of table silver would have expired in his tracks at the thought of a Coles Phillips picture. He told the exact number of pennyweights of silver deposit, and described the extraordinary process developed by his laboratory staff. Illustrations that did not directly contribute to the logical weight of the argument were sneered at as mere "pretty pictures." "Take that meat away!" commands paterfamilias in the breakfast food ad. "Good health demands that we do not clog our

systems with heavy, indigestible foods in the summer time. All the health-and-vigor-building properties of meat are contained in Oat-erino, with none of the disturbing hot-weather drawbacks. Study the comparative table below, and then ask yourself, etc., etc."

Psychology's Inning

A few years later we had laid the syllogism away on the top shelf, and were all (or nearly all) busily talking psychology. The human mind had been discovered to be a very complex and mysterious affair, and it came to be the proper thing to have advertising copy "psyched," much after the fashion adopted in later years by the disciples of Dr. Freud. The psychological expert became a regular adjunct of the advertising office, either as a member of the staff or as an outside consultant on retainer. We listened to long and solemn lectures on the relative attention value of headlines set in Caslon Oldstyle and Post Italics, or the alteration in the coefficient of suggestion when a paragraph was moved from the bottom third to the upper two-thirds of a half-page.

Instead of striving for the simple, direct and forceful presentation of an idea, we went to the opposite extreme and tried to be subtle and serpentine. We pointed out to our clients with a wealth of citations from academic authority that the principles of sub-conscious suggestion and the association of ideas would lead the public to buy without ever suspecting that they were being sold. We set great store by laboratory experiments conducted by college professors with groups of extremely self-conscious students, and cheerfully applied the results to the task of

selling goods to an entirely un-self-conscious public.

In these days, as everybody knows without my mentioning it, the great shibboleth is Research. I rather fancy that if the history of advertising ever comes to be written, this will be featured as the era of the index number and the weighted average.

Now, in presenting the subject in this light, I have not the slightest intention of attacking the principles of research, or of casting aspersions on the practice of investigating in advance of a decision rather than afterwards. As compared with most of its predecessors, I think that the passion for research is a vast improvement. On the other hand, I am convinced that there is a very marked tendency among business men to make a fetish of this thing, and to permit good judgment based on experience to abdicate in favor of statistics.

And Now Comes Research

What I mean is simply this: that research has been developing of late years as a fad, and anything that is presented under the label of research is likely to be accepted without stopping to inquire as to the authority of the sources or the validity of the data. Research, as an aid to judgment, is extremely useful and often indispensable; but as a substitute for judgment it is very likely to prove a delusion and a snare. Even if we concede that the results of an investigation actually represent the facts in the case, that does not absolve anybody from the necessity for exercising his mental faculties—for deciding first, as to what the facts really signify, and second, as to what (if anything) ought to be done about it.

Advertisers in particular should realize, I think, that in dealing with human beings there is a very definite limit to the field that can be covered by any form of statistical research, and that the results of statistical research, important as they are, can never tell more than a part of the story. Frequently it is the most important part, I grant you; but not by any means always. Not nearly so often, I think, as some of the modern devotees of the index number imagine.

For example, every now and again we are confronted by the client who has decided to make a radical change in the mediums that he is using. He is going to cut out the magazines and substitute newspapers, let us say; or he intends to drop the newspapers in favor of street car advertising in certain cities; or he has decided to put on a direct mail campaign to the farmer instead of using the farm papers. Or perhaps he has not decided anything at all; he is merely bewildered and upset; pretty well convinced that he is making a mistake as it is, but thoroughly in doubt as to precisely what the mistake is.

When Statistics Won't Work

Every solicitor that gets in to see him throws a new set of research figures at him, and the latest set generally contradicts those that have gone before. Nothing appears to be certain except that something is wrong somewhere, and he is likely to demand a fresh investigational expedition for the purpose of researching the researchers. So sublime is his confidence in the all-sufficiency of statistics, that it seldom occurs to him that any other course is possible.

What I am seeking to emphasize is mainly this: that in the selection of mediums (as well as in connection with many other problems that confront advertisers) there are a number of very important questions that do not respond to statistical methods at all. They can be answered only through the exercise of good judgment based on long experience, and through the application of what is known as ordinary common sense. That, I

appreciate, is very unscientific, and runs counter to the present-day faith in the higher mathematics. Unfortunately, however, it happens to be a fact.

The advertiser who buys circulation in any medium, no matter what, is buying an audience. His task is to plant certain ideas in the minds of that particular group of people. His first question, naturally, is "How many people are there?" That can be answered by statistics. So can the next question, "How did they get there?" The third question, "Who are they?" can also be answered pretty accurately, and the fourth "What have they?" is still in statistical territory, though pretty close to the boundary line. Beyond that point, however, the advertiser has to rely upon something else, mainly his own good judgment and common sense.

Questions Still Unanswered

A number of advertisers seem to feel that when they have answered those questions or their equivalents to their satisfaction, that is all there is to the matter. Having secured the greatest possible number of prosperous people at a fair price—people who are the "right sort" and able to buy—what more do you want? A good deal more, as it happens in many cases, for a really intelligent choice of mediums. Frequently the most important questions of all still remain unanswered, and they are questions which cannot be resolved by any application of statistical methods.

There is an ancient adage to the effect that you can lead a horse to water, but you cannot make him drink. There is no use expecting a man to appreciate a symphony concert with a tack in the seat of his chair. Two objects cannot occupy the same space at the same time. In other words, the effectiveness of your message on the minds of this hand-picked audience of yours will depend to a large degree upon the mood the audience is in at the moment, as well as upon its emotions and preoccupations.

Is this mind that you are trying to get into at leisure to entertain a new idea, or is it preoccupied with

problems of quite another sort? Is it in the mood to indulge in dreams of added comfort and luxury, or is it tensed for the daily wrestle with practicality? Is it under the influences of a before-breakfast grouch, or expanding with the after-dinner cigar? Is it emotionally set to respond to the appeal of romance and adventure, or will nothing but cold-blooded logic move it? Just as the flapper daughter learns when it is not wise to approach papa on the subject of a new fur coat, so the wise advertiser learns the tactical use of mediums. You cannot set this wisdom down in a column of figures and reduce it to an average; you cannot represent it by an index number or express it in terms of coefficients. It is the product, as I have said, of experience with people, plus a reasonable familiarity with the character and the contents of the mediums themselves.

All of which is cited by way of illustrating the general futility of regarding statistical research as the whole show, including the bull pup under the wagon. I am no advocate of the policy of running a business "by guess and by gosh." I believe thoroughly in basing judgment upon statistical facts, up to the point where statistical methods break down. Beyond that point, it is necessary to depend upon something else. For in advertising work especially, the man who judges solely on the basis of the tangible and the concrete can usually be described in the terms long ago applied to the cynic: One who knows the price of everything and the value of nothing.

Cleary Made Studebaker Sales Manager

James M. Cleary has been appointed sales manager of the Studebaker Corporation of America, succeeding H. S. Vance, whose appointment as vice president in charge of production and engineering has just been announced. Mr. Cleary, who was formerly manager of the business survey department of The Chicago Tribune, has been director of advertising and sales research and assistant sales manager since joining the Studebaker Corporation.



Schools of commerce and business administration have shown a remarkable growth in the past ten years. Commerce classes at the University of Illinois are already threatening to overflow this new building, opened at the beginning of the current school year.

Need Some New Blood in Your Sales Department?

How the Schools of Commerce in the Big Universities Are Training Men for Business and Providing Recruiting Stations for Executives

By Frederick A. Russell

College of Commerce and Business Administration, University of Illinois

ARE college graduates worth their salt as salesmen or advertising men?

Because of the amazing increase in the number of college graduates being turned out each June for the business world to absorb, this question is growing in importance.

The answer to the question must be: "It depends on the college and on the man." All right. Let it go at that. But what kinds of colleges are there from which graduates may be obtained? There are large and small colleges, Eastern and Western colleges, Methodist and Catholic colleges, colleges for men and colleges for women and others for both men and women, but the

thing of interest to the sales or advertising executive is just this: What are the students taught in these colleges?

There are some business men, somewhat out of touch with university and college life, who have a rather hazy conception of what is taught in the modern institution of learning aside from football. Such men may glean from biography and the movies the impression that Latin and Greek, Mathematics, English Literature, History, Philosophy, with perhaps a touch of some science such as Chemistry, Physics, Biology or Botany, are the subjects taught to the youth of our land today. Such

hard-headed business men are apt to condemn all college education as "theoretical, high-brow, impractical, useless, and fit only for those born to leisure and wealth."

And they would be right in one particular, for this "classical" education was originally designed for just that class of students—the gentry who would never need to work for a living, or who, at the worst, would enter the ministry or the law.

It is pretty generally known that, to meet the demand for university training which shall fit the graduate to earn his living in some particular line, specialized schools and colleges have developed, so

that the modern university is a collection, under one general administration, of a number of such colleges. Thus, at the University of Illinois, are found colleges of agriculture, engineering, education, medicine, pharmacy, dentistry, liberal arts and science, music, law, and commerce and business administration. These colleges, each with its own group of students, together make up the university.

What is a college of commerce, or college of business administration? To some the term denotes a business college where penmanship, simple bookkeeping, shorthand, typewriting, and commercial arithmetic are taught. This is as far from the facts as is the conception of the man who thinks of all college courses as "classical and impractical."

If they don't teach shorthand and typewriting in our colleges of commerce, what are they teaching that will help prepare a young man or woman for work in advertising or selling? To answer this question is the purpose of these articles. The writer is acquainted with the men in charge of these departments at some of the leading universities of the country, and has asked each one to furnish certain helpful facts concerning the work done at his institution. This work is not at all alike in the various institutions.

Beginning to Specialize

For example, New York University is trying to do a very different thing with its students from the thing Harvard is attempting. For this reason we have selected certain typical universities for our study. There are many other splendid colleges turning out well-trained young men and women, ready to take their places in the business world, but only a few could be mentioned here. Those discussed are all important, to be sure, but they are also typical of many other institutions.

The oldest and one of the largest is the Wharton School of Finance and Commerce, one of the undergraduate schools of the University of Pennsylvania, founded and endowed by Joseph Wharton, a Philadelphia "iron master."

All students take the same work their freshman year, but, beginning with the second year each student is asked to designate the particular business or vocation for which he desires to prepare. He has his choice of Accounting, Commerce and Transportation, Brokerage, Finance, Banking and the Bond Business, Foreign Trade, Insurance, Labor Management, Manufacturing, Real Estate, Merchandising, and several others. These are mentioned merely to give some idea of the scope of the work offered.

Suppose our young man elects to specialize in the Merchandising group, thereby preparing himself for sales or advertising work. The backbone of his work will consist of five courses, a brief description of which follows.

What the Courses Cover

The first takes up the organization of markets and the distribution of goods, with special emphasis on the selling problems involved. The various methods of manufacturers in creating markets for their goods are discussed, advertising and salesmanship relations of the manufacturer, wholesaler and jobber with the retailer; the business of the chain store. The uses of advertising in enlarging markets; the organization of selling campaigns; the selection, training and management of salesmen and the correlation of mail order, advertising, and salesmanship departments are studied in relation to increased selling effort. This course prepares the way for the more highly specialized courses to follow by giving the student, who is now a sophomore, a broad grounding in the fundamentals of merchandising.

With the course just described as a starter, he launches into a course in advertising, in which he studies the psychological and economic principles of a successful advertising campaign. Publicity and agency problems confronting the advertiser are analyzed. Trips are taken through newspaper and other publishing plants, engraving establishments, etc. Choice of mediums, appealing copy, cuts, paper, illustrations, follow-up systems,

are among the subjects discussed. The final work of the student in this course consists in the preparation of a complete advertising campaign organized in relation to the problems of marketing and merchandising involved.

At the same time he is pursuing this course, our student, now a junior, may take another course in Distributive Agencies and Methods, which is a study of efficiency in selling, emphasizing particularly the costs of distribution, which run over one-half the amount the consumer pays for many articles. The object of this course is to study these distribution expenses for many lines of business, and attempt to discover means for lessening them.

Of course our student has been taking many other courses during these first three years. The cultural value of a college education has not been overlooked entirely, as he has taken work in English Composition, English Language, Business Law, Economics, Accounting, perhaps a foreign language, Money and Credit, Transportation, Government, History, Corporation Finance, and Philosophy.

Executives Seek College Men

Now he is ready for his senior year, at the end of which he will probably get a job in some sales or advertising department, advertising agency, or similar position.

The principal course in this final year is the one in Salesmanship, in which the principles underlying the practice of salesmanship are considered from the viewpoints of the salesman, buyer, and the sales manager. Typical sales related to the wholesale, retail, and mail order houses are presented. A critical review of the present-day systems of human nature study in relation to a better understanding of the buyer, the efficient selection and handling of salesmen, are gone into, and a critical analysis of the demonstration factors in successful sales is made.

He may also take still another course, where an intensive study is made of sales administration, covering the field of departmental cooperation, organization and

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A Manufacturer Sides With Jobbers, But Adds His Reservations

Why doesn't the average jobber back up the manufacturer who stands pat against selling chains, mail order houses and vest pocket wholesalers?

By H. C. Hinkley

The Purity Oats Company, Keokuk, Iowa

IN the February 20 issue of "Sales Management" there appeared two articles written from two sides of the fence on the problem of the jobber's function in the selling of groceries. Both articles were good but they found no meeting ground. No one actively engaged in these lines can actually hold an unbiased opinion of the whole situation, but if anyone can view this situation with a sense of perspective at all, our firm is one that should be able to do so.

In all this passing of the hot marble it seems to us there is a feverish desire to blame the other fellow and, not to be outdone in this "thou too" game, we'd like to pass a few well aimed, though padded, bricks interspersed with bouquets for those who eminently deserve them.

Sticking to the Jobbers

We don't sell codfish (either pickled, double pickled or milk fed) and therefore have very few bones to pick with the jobber when we sit face to face with him in his native lair.

Yes, we are manufacturers, but to a certain extent side with the jobber in this age-old discussion. Yet we must say at the start that we consider the jobber quite largely responsible for his own present predicament. For the purpose of brevity let us call ourselves a commercial Pariah agreeing with neither the common run of manufacturer nor the common run of jobber.

We manufacture a commodity which all wholesale grocers sell in considerable volume—most of them several cars a year, at least. We sell this commodity through

jobbers only and that means every case of it, and this policy dates back to the founding of our company a good many years ago. The profit given the jobber is every last dollar that a jobber would take on a factory label article. Our product is almost universally known among the trade to be of the highest excellence. Our package was the pioneer of its kind which was copied by practically all competitors.

Now, whenever the call of battle has been sounded the roll call has found us sword in hand under the banner of the jobber. When everyone in our line and practically every manufacturer in the grocery business deserted to the ranks of the chain store, the mail order house, the desk jobber, and all the makeshift buying combinations arrayed against the three point merchandising scheme of manufacturer-jobber-retailer, we stood firm, closed our eyes and said with General Grant, "We'll fight it out on this line if it takes all summer," only we substituted the words "our commercial life" for "all summer."

Too Few of the Right Kind

After taking the unequivocal stand, after sacrificing the tremendous volume of business possible through selling chain stores, after throwing all of our resources in with the Class A jobbers, we wanted action.

Did we get it?

Yes and no, or, as the modern youth would put it, "So's your old man."

We have on our books as fine a lot of honest-to-goodness jobbers, as loyal a bunch of top notch cooperating good scouts as a man could

find between the two poles. All honor and more power to them. Everything we can do for them is all too little.

How many? Of course that's the rub. They're blamed few and the miles between them are many. A confusing, wearying lot of them say there is a big demand for your competitor's stuff. It sells itself. In many cases this is true; specialty men and large advertising expenditures are selling it and the jobbers are lucky to grab anything more than their cash discount as it goes through their hands. They are competing with the curbstone brokers, as your Chicago jobber calls them, the cash and carry house, the chain stores, and any other outlet competitive scrutiny can discover as an unloading depot at jobber's prices. And they seem to like it. All the research work

A Challenge and an Answer

of the Harvard Bureau is forgotten when a carload of goods is disposed of without mentioning it in a salesman's bulletin, regardless of the loss entailed in the sale.

Credit must be given to the jobber with the backbone to refuse to sell commodities thus hawked about to the cream of his trade, at the wholesale price and to the chain stores at any price, but show us many of them who will take this stand!

We take issue with the Chicago jobber on one point. He says, relative to the creating of a demand for a manufactured product, "No jobber can make a profit and take over the manufacturer's sales department at the same time." This jobber is very much the exception if he is not doing this very thing

in pushing a private label of his own in competition with some manufacturer's label.

Let me ask this question: "If this jobber, or the average jobber, could find a big volume line never sold through any outlet except Class A jobbers; if it was pre-eminently a quality line; if it gave the customer as much or better value selling through regular retail channels as the chain stores give with their direct buying power; if there were practically no danger of price cutting on the line; and if the profit year in and year out, were always the same and always

sure, would he take this line on?"

Let me put his answer in his mouth and if he wants to he can hurl the words back at me.

"Establish a demand and I will stock it." In other words, "Sell your stuff and I'll warehouse it for a profit that should include a selling service."

We repeat—we are for the jobber 100 per cent. Our commercial existence is tied up with him entirely. We have gone all the way. But sometimes this heroic stand seems to us to smack of the courage and misdirected energy of Don Quixote.

Operating expenses of manufacturers' agents are cut down, just the same as in this country, by their custom of handling several related lines. A representative selling to automotive equipment houses, for example, usually has such non-competing lines as bumpers, springs, shock absorbers, radiator emblems and others. In this way his overhead is distributed among a number of different manufacturers and the selling costs of each are reduced accordingly.

Australian retail stores are on a par with the best in either the United States or England. Thanks to the circulation of American trade papers and the merchandising suggestions of American manufacturers, their methods of stocking and displaying goods compare very favorably with the best practice here. Anyone walking through the retail districts in Melbourne or Sidney could easily imagine he was in a prosperous American city. The store windows look the same, they use the same display cards and dealer helps, and they operate on the same principles.

Welcome American Contacts

In fact, Australian retailers are most eager to handle the goods of those manufacturers who do more than the average for their dealers. They are probably more conscientious about using dealer helps than the average American store. Their stores are in keeping with the high purchasing power of the people; they are, in short, what is known in Australia as "financial," or profitably operated.

Chain stores have not yet become a factor in Australia. The few in existence there are small neighborhood groceries which do not approach the conception of chains in this country, and are confined almost entirely to the grocery trade. House-to-house salesmen, too, are almost unknown. Mail order houses have made little headway, although some of the larger department, or "departmental," stores send out catalogs to the "outback" districts, as the suburban communities are called.

Another angle from which American manufacturers might be

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Sales Opportunities in the Australian Market

By Elmer G. Pauly

Assistant Trade Commissioner, Bureau of Foreign and Domestic Commerce, Melbourne, Australia

AMERICAN manufacturers of products for which there is a strong general demand in a market of six million people have an unusually good opportunity to profit by developing business in Australia. The tastes and demands of Australians are practically identical with those of consumers in the United States and England, while their buying power, on the average, is slightly higher.

In determining whether or not his product would fit into the Australian situation, the American manufacturer must first ascertain whether any group of six million people could consume enough of his goods to justify him in establishing distribution channels. He must investigate competitive conditions, of course, and take into consideration such factors as tariff, the appointment of capable local representatives and the cost of shipping his goods.

It is a safe statement to make, however, that there is a demand in Australia for everything which is accepted in the United States. Distribution, likewise, takes the same course as here, from manufacturer to wholesaler to retailer, although most American manufacturers who

are outstandingly successful in Australia have found it advisable to appoint Australian agencies or commission houses to represent them there rather than to put their own salesmen in the field.

One of the most important functions of the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce in its Australian offices is to aid American manufacturers in obtaining the proper kind of representation. Manufacturers ship direct to these representatives, who take their commission of 10 per cent and place the goods with wholesalers. Those manufacturers who have attempted to sell direct to wholesale houses find that the competition of other wholesalers handling competing lines limits the distribution of their products to a serious extent. Manufacturers' representatives are in a position to place accounts with forty or fifty wholesalers in the two large distributing centers of Melbourne and Sidney, while manufacturers who hope to save the importers' commission by selling direct to the wholesalers, have to content themselves with comparatively few wholesale outlets.

Abandons Jobbers and Succeeds With Direct-to-Dealer Plan

Usona Manufacturing Company Found That a Specialty Salesman Selling Direct Can Sell as Much as Fifty Jobbers' Salesmen in Same Territory

By Frank J. McGinnis

WHAT is all this direct-to-dealer business? Is it a profitable way for the small manufacturer to sell his goods? Does it work better than the jobber system? What are some of its disadvantages? Why does it work for some manufacturers and not for others?

One answer to some of these questions may be found in the experience of the Usona Manufacturing Company, makers of flashlights, batteries, and related specialties, of Cleveland. This company started in business in 1914 and rode on the crest of the war market until 1921.

They had been doing business through jobbers, but when the slump came, they were faced with the problem of finding some way to bolster up the slipping sales curve and put new life into their marketing plan.

A Field Sales Force

A special selling group of men, called special field salesmen, was organized to assist the jobbers' salesmen. They called on the trade with the jobbers' salesmen. They knew the Usona line—they carried samples of the product—they talked hard on flashlights, they created business where there had been none before, and then when they were done they turned this business over to the jobber, who ordered the goods from the factory.

This system, while it worked and produced a comfortable volume, was not satisfactory. It did not produce the anticipated growth. The special field salesman spent considerable time not devoted to his own line with the jobber's salesman in the dealer's store. He stood about listening to talk of wrenches, pump-handles,

In the effort to cover as many different angles of jobber relations as possible, "Sales Management" has been printing articles on some phase of the subject in almost every issue.

Sales executives who are interested in this particular phase will find in the following articles discussions of jobbing policies and methods by men who are qualified to speak with authority:

"One Mailing Wins Cooperation of 3,600 Jobber's Salesmen"
August 8, 1925

"The Best Thing We Ever Did for Our Jobbers' Salesmen"
November 28, 1925

"A Manufacturer Says Jobbers Are Dead from the Neck Up"
February 20, 1926

"A Jobber Retorts 'Sweep Off Your Own Front Steps'"
February 20, 1926

"This Sales Policy Wins Cooperation of the Jobbers"
March 20, 1926

"Grocery Jobbers Make Survey on Salesmen's Compensation"
March 20, 1926

field salesman and the jobber's salesman over what prospects were to be called on. The jobber's salesman was often unwilling to spend his time in a dealer's store where the only probable sale would be a small order for flashlights. The direct-to-dealer plan has since proved that these small orders are the backbone, not only of the company's production, but also of the salesman's sales.

A different plan was needed. Usona established three laboratory test stations to try out a direct-to-dealer idea. Laboratory test station number 1 was managed by a man who was formerly one of the special field salesmen. The jobber who covered this test territory had 161 salesmen traveling for him. In one year's time, the one direct-to-dealer salesman sold as many flashlights and batteries as any fifty of the jobber's salesmen combined had done in any one previous year! He got many new accounts and lost very few old ones.

A Change in Policy

He produced business from corners of his territory that had never produced before. He straightened out soured dealers, who had become "sore" at the jobber and refused to buy anything from him even though their grievance was not flashlights. That proved something to Usona.

Immediately they changed their entire plan of sales, distribution, and advertising. They began business in 1922 on the direct-to-dealer basis. They put their salesmen out in automobiles on straight commission only.

Now, we ask, has it been profitable for them? Let us see what it has done for their business. They claim many advantages for the plan, but in the cause of brevity, we boil them down to five:

1. It achieves one hundred per cent dealer coverage without waste. The jobber's salesman usually had his "pet" customers—the big buyers in a town who would give him a good order. He spent the greater portion of his time on these "pets." When he had sold them, he had done a good day's business—for the jobber—but the manufacturer got only a small percentage of that business.

The Direct Salesman's Job

The direct salesman, with only one line to sell, must fine-tooth comb his territory. He must call upon every drug store, garage, hardware store, accessory store, radio shop, every retailer who can possibly be interested in handling flashlights and flashlight batteries.

The direct salesman with only one line to sell concentrates on the retailers who can handle that line. He has no interest in the retailer who sells garden supplies. He is not called upon to divide his effort over many and, oftentimes, unrelated lines. He eliminates waste in his solicitations. Let us cite an instance:

Four years ago, Ken Lowry was taken out of the Usona shipping room and put on the road as a special field salesman. Since his first year he has quadrupled the volume of business from his territory. He has done it by consistently calling on dealers the jobbers' salesmen wouldn't touch. Lowry has proved that calling on the cross-roads stores pays big returns.

2. It makes possible closer dealer contacts. The direct-to-dealer salesman brings the manufacturer to the dealer's door. He, to the dealer, is a factory representative, fully equipped with special knowledge of the line he is selling. He builds up, in the dealer's mind, a picture of the institution he represents. He makes an active asset of that intangible, yet powerful thing we call prestige. The jobber's salesman could not be bothered with the manufacturer's ambitions—he was satisfied to ask only "Need any flashlights today?"

"No, I'm stocked up," said the dealer.

"Well, how about doorknobs?" asked the jobber's salesman—and

the flashlight manufacturer faded into the dark and unprofitable realms of silence.

3. It puts over the manufacturer's merchandising ideas better.

Usona wanted their window display material, their consumer literature, their sales plans, their dealer help program, their ideas, if you will, handled as if they were of some importance in this world—so they got their own men to do it for them—men who carry direct from the factory to the dealer all the enthusiasm that the manufacturer has for his own ideas. Their own men do the job as they say it shall be done—or lose their jobs. The manufacturer has no control over the jobber's salesman's job.

4. It makes it easier to put new products on the market.

The Usona direct-to-dealer salesmen carry samples of their product when they go into a dealer's store. They sell from the product itself, not from a catalogue. The direct-to-dealer salesman sells the dealer on the merits of his merchandise. If the item is a new one he can push—he must push—to make the sale. If the dealer buys, he, in turn, will move the goods to get his money out.

Selling Fresher Merchandise

But the jobber did not work that way. He wanted to sell goods that were in demand. The best a new item, not backed by heavy national advertising, could hope for from him was a listing in his catalog—a very thin piece of filler in an enormous sandwich of items for sale.

Every manufacturer who has a good product cannot afford national advertising—he must create his demand through dealers who are "sold" on his goods. This job of selling is a job for his own salesmen.

5. It enables the company to put fresher merchandise on the market.

Under the direct-to-dealer plan, the goods are shipped direct from the factory to the dealer. In the case of Usona, it is a distinct advantage to have the goods fresh on the dealer's shelves—the batteries are then always in good condition.

And now to consider some of the

less advantageous angles in the development of this direct-to-dealer plan:

Usona found it necessary under the direct-to-dealer system to establish a sales school for their direct-to-dealer salesmen, and to keep it in more or less continuous operation. This is no impossible task—nor is it much more than most manufacturers find it already necessary to do.

Overcoming the Weak Points

Under the direct-to-dealer plan, however, the turnover of salesmen is high—particularly when they sell on commission only. Usona found it necessary to devise ways and means of keeping the direct-to-dealer salesman sold on his job. And during the dull months of the year this often proves difficult. The most efficacious remedy for this ill lies in so constructing the business, either through consumer education or the addition of new items to the line, that the so-called "dull months" vanish into thin air. The judicious and unsparing use of salesmen's house organs, special profit deals, regular idea-exchange conferences, new selling helps, and other business building ideas pays liberal dividends.

The direct-to-dealer manufacturer, of course, submits himself to greater credit risks. The jobbers' finances were usually stable. The dealer's frequently are not. Here, if anywhere, the manufacturer has an opportunity to prove himself a real business man. The credit situation, too, is not insurmountable, and with judicious use of the red pencil on orders, the manufacturer can correct this.

And finally, if the product is bulky and is sold in quantities, the manufacturer will find it necessary to establish distribution points to reduce his freight costs. The salesmen handling the territory out of these distribution points thereby render quicker service to his customers. This job, with a few of the right type of salesman, will be nothing to keep the sales manager awake at nights.

The direct-to-dealer is no bed of daffodils, nor is it a second-hand substitute for something better. But it is working for Usona.

When You Are Tempted to Fire One of the Old Guards

A Sales Manager Learns Why the Trade Resents a Snappy Youngster After Years of Buying From a Veteran Salesman

By John P. Wilder

"I'M inclined to be rather hard-boiled on the subject of sales quotas and traveling expenses," said the sales manager of a big wholesale drug concern. "You have to watch the ratio between gross sales and selling costs pretty closely in order to get by nowadays, and if a salesman can't make the grade I don't believe in letting personal sentiment stand in the way of serving the best interests of the company's stockholders.

"On the other hand, there are frequently cases where an ounce of good judgment is worth several tons of statistics, and it is mighty seldom that I fire a man merely on the basis of the figures standing alone. I don't mind telling you that I learned something when I fired Uncle Kearney Edwards, back in 1920.

Uncle Kern's Sales Tactics

"Kearney Edwards, or Uncle Kern, as most of the boys called him, was an old codger who had been on the Western Ohio and Eastern Indiana territory since Hector was a pup. He was there when I first went with the company—a fine, old homespun philosopher sort of chap, with a liking for sitting down by the stove behind the prescription desk and talking things over.

"He would talk about anything: religion, politics, the younger generation, the weather, or whatever happened to interest the druggist and his cronies at the moment. He not only knew the family history of each of his customers, but that of most of the drug store loafers and hangers-on as well. And they in turn knew about when to expect Uncle Kern to show up again, and used to save up a lot of their petty arguments and disputes about one thing or another for him to settle.

"Now, I don't need to tell you how selling costs increased during the period of the war, and it soon became evident that Uncle Kern, on the basis of the returns, was a total loss. His volume of business, instead of increasing in proportion to the increase in costs, was slowly decreasing. Disregarding the increases in prices, he was actually selling a smaller unit-volume of merchandise, and his record was getting worse month by month.

Enter the Bright Young Man

"I tried everything I could think of from flattery to the big stick, but it was no go. Things kept getting worse. As a matter of fact, I wanted to fire him and get a new man on the territory long before I finally did, but the big chief said no. He hated to fire a man who had been with the company so many years. So did I, of course, but I could also see pretty clearly what effect this was having on my own record as a sales manager.

"Finally I figured the thing out this way: that the old codger knew his trade too darn well. He was sympathizing with them, and taking their point of view instead of that of the house he was working for. He had gotten so confidential with them in times past that they were ready to weep on his shoulder when he came around, and he let them do it instead of selling them merchandise. I still think, incidentally, that that diagnosis was pretty sound. At any rate, I stated it in those terms to the big chief, and he said, all right, go ahead and fire him.

"We put a good, lively youngster with a head on his shoulders into the territory, and he started out pretty well. Nothing remarkable, you understand, but things

began to look up. And then came the slump! It hit us everywhere, of course, just as it did everybody else, but in that particular territory it was a wash-out. We didn't get enough business from Western Ohio and Eastern Indiana to wad a shot-gun, comparatively speaking, and the new salesman's daily reports had to be put through a wringer before we could read them.

"After a month or two of this, I hopped the rattler and dropped off at Bowling Green. Will Marsland was a good customer of ours, and I happened to know him personally.

"'Will,' I said, 'I don't mind telling you frankly that this territory has gone flooey, and I want to know the reason. Is there anything wrong with our service?'

The Sales Manager Awakens

"'Nothing that I know of,' he told me.

"'What is the matter, then?'

"He thought it over for a few moments. Finally he answered: 'You fired Kern Edwards, didn't you?'

"I exploded at that.

"'You don't ask me to believe that Kern Edwards had this territory in his vest pocket, do you?'

"'No—of course he didn't. No salesman ever does, though I've known 'em to let on like they did often enough. Other things being equal, business is business, of course, and goes where it gets the best treatment. But other things ain't equal just now—not by a considerable sight.'

"'Just what are you driving at?' I demanded.

"'Well—you can put it this way. There ain't enough business in this territory right now to go around;

Is Boston really a *The Boston retailer*

His solution of the problem lies in concentrating his advertising upon a 12-mile shopping area

If a Boston department store using millions of lines yearly in all Boston newspapers is unable to draw an appreciable percentage of its business from a greater distance than 12 miles, what does this fact prove?

It proves the existence of a natural, normal trading area for Boston. That area is the result of the habits of Boston's people—not invented by any medium—not to be altered by any advertiser—as definite as the force of gravity and as impersonal.

**There is a 12-mile limit
around Boston**

Most national advertisers think of Boston as a city with a 30-mile trading radius. This seems logical. But within this 30-mile radius are five cities that are entities in themselves. Hundreds of shopping centers have grown up.

And when the *Globe* interviewed Boston department stores it developed that 64% of the charge accounts in one most representative store and 74% of the package deliveries of all leading Boston department stores lie *within 12 miles of City Hall*.

The 12-mile area is Boston's Key trading market

In the 12-mile area lies a population of 1,700,000, with a per capita wealth of nearly \$2000. In it, too, are the largest number of retail outlets in most lines—and nearly all the retail leaders—the stores which are bellwethers for

any scheme of distribution. *And in this area the Sunday Globe delivers the largest circulation of any Boston newspaper.* Daily its circulation is even greater than on Sunday.

That is why great Boston department stores buy the *Globe* first—in 1925 placing in it daily their greatest volume, and on Sunday as much lineage as in all the other Sunday papers combined.

All because the **Globe's** circulation—built entirely upon editorial and news interest and unhampered by premiums or any other less valuable form of circulation growth—actually followed buying power and buying habits!

Concentrate through the Globe in this Key trading area

The *Globe* has gained its preponderance of circulation in this Key trading area simply by making a newspaper that Boston men and women wish to read. Such policies and features as the *Globe*'s racial, religious, and political impartiality; its carefully edited woman's page—the oldest in America; its complete sport news,—these built the *Globe*'s circulation.

Study the map herewith. It shows the trading area of Boston as retail business in Boston defines that area. Through the *Globe*, concentrate upon that area. In Boston, buy the *Globe first*.

TOTAL NET PAID CIRCULATION IS

279,461 Daily

326,532 *Sunday*

It is pretty generally true in all cities with large suburban population that, *in the metropolitan area*, when the Sunday circulation is practically the same or greater than the daily circulation, there is proof of a real seven-day reader interest with a minimum of casual readers of the commuting type.

difficult market? says "NO"



In the Area A and B, Boston's 12-mile Trading Area, are

64% of department store charge accounts
74% of all department store package deliveries
61% of all grocery stores
57% of all drug stores

60% of all hardware stores
57% of all dry goods stores
55% of all furniture stores
46% of all automobile dealers and garages

Here the Sunday Globe delivers 34,367 more copies than the next Boston Sunday newspaper. The Globe concentrates—199,392 daily—176,479 Sunday.

The Boston Globe

The Globe sells Boston

not near enough. If Kern Edwards was on the territory, he'd get the big end of it. In most places, he'd get pretty near all of it. They'd trust Kern to go back and look at the want book and send 'em what they ought to have.

"As it is, these same dealers would a little bit rather give the business to somebody else than give it to you. Your new man is picking up immediate items, and that's about all. I don't think you folks realize how the trade resents your firing Uncle Kern. They trusted him to look out for their interests as well as for his own. Over and above that, I'll go so far as to say that a lot of them actually loved him. Maybe you think that has nothing to do with business, and perhaps if business had stayed normal for a few years they would have forgotten about it. And then, again, perhaps they wouldn't.

Insurance on the Territory

"Of course, I know that in one way, Uncle Kern wasn't any great shakes as a salesman, and you folks are running your own business. But at the same time it strikes me that he was worth something as insurance on this territory, even if he didn't succeed in ramming enough merchandise down its throat to suit you. You said yourself that the territory had gone flooey, and I wasn't surprised. I wouldn't wonder, either, if it took quite a spell to get it back to where it was before."

"I made half a dozen other calls on dealers in the territory, and made up my mind, rather reluctantly, I must confess, that Will Marsland had the right hunch on it. Old Uncle Kern had just about walked off with the business in his vest pocket, whether we liked the notion or not. Aided and abetted, of course, by the sudden slump in business. If it hadn't been for that, we would probably have gotten by all right. But that is a good deal like saying we would have made some money last year if the factory hadn't burned down without any insurance.

"You see, Marsland's idea of insurance on the territory stuck in my mind, and set me to thinking. The case of Kearney Edwards was,

of course, exceptional in many ways. Mighty few salesmen have the personality or the temperament that will win the good will of customers on the terms that he did. But any salesman that is calling on regular trade month in and month out has at least the opportunity to do it, and generally succeeds in winning the personal loyalty of his customers to a certain extent. In some cases it may be negligible, and in others it may be quite important. But in any case it won't show up in any of the statistics. You won't find it in any of the ratios between gross sales and selling expense, or anywhere else.

"So I confess that I am not quite so quick on the trigger as

I used to be, when the percentage of net profit on a salesman's operation begins to approach an arbitrary deadline, and it looks as though a younger man in the territory might be able to get the business at a lower ratio of expense. Before I jump at conclusions, I try to form a real estimate in my own mind as to what would happen in case something went wrong—a business slump, for instance, or a crop failure, or some local affliction like the recent coal strike. The bright youngster might conceivably save us money—if everything went all right. And by the same token we could save a sizeable sum each year that we are paying out to fire insurance companies—if we didn't have a fire.

This Plan Puts Jobbers on Their Mettle

A SALES promotion plan for jobbers, found successful by the Gates Rubber Company, Denver, in selling Gates Vulco Belts and Hose, is a "top 100" list. Every six months the list, showing the 100 jobbers who have sold largest quantities of Vulco products, is distributed to the jobbing trade. The position, not quantity sold, is stated.

C. F. Woolley, who handles Gates advertising, says the company gets a quick response every time the "top 100" list goes out. Jobbers have repeatedly written letters to their sales forces as a result of a drop in standing. Their one thought is to see that the company's old position on the "top 100" list is regained. Jobbers often write the Gates company declaring their intention to a better showing next time.

Sometime ago the Gates Rubber Company got out a special analysis booklet on "top 100" jobbers.

The booklet analyzed net profits on Gates Vulco belts and hose, made by jobbers, showing that the correct result came through multiplying number of stock turns by the net margin of profit. Using a Harvard Bureau of Business Research cost ratio, the Gates company suggested net margin on

Gates Vulco belts and hose of the 100 top jobbers would be 13.6 per cent. An analysis made through salesmen of jobbers' sales and monthly inventories showed that the average stock turn of the 100 top jobbers was 7.9 times. Making a calculation, the booklet showed that the 100 jobbers made 107.4 per cent net profit for the year on working capital invested in the Gates lines.

Referring further to the Harvard report, the booklet brought out that the "top 100" jobbers earned more than twenty-one times as much in net profit on working capital invested in the Gates Vulco line as was earned on capital invested in the average line of automotive merchandise.

The little booklet contained other significant things. It told how twenty-nine jobbers on the list showed an average increase of 76 per cent in sales during the year, that seventeen had an average increase of 41 per cent, that six averaged 97.6 per cent more units, and that one jobber increased sales 154.3 per cent.

The booklet concluded by depicting the opportunity for automotive jobbers to get a much larger share of the nation's fan belt business.

Thirteen State Statutes Hit by Decision on Bedding Law

Commission Hits Price Maintenance and Free Publicity; Silverware Manufacturers Adopt Simplified Practice

By *Uthai Vincent Wilcox*

Special Washington Correspondence

THE Pennsylvania law prohibiting the use of shoddy in the manufacture of bedding held invalid by the United States Supreme Court, has a wide influence. Statutes similar to that of Pennsylvania have been in force in Alabama, Indiana, Iowa, Kentucky, Louisiana, Maryland, Missouri, Montana, North Carolina, New Jersey, Tennessee, Utah and in the city of Spokane, Washington, and will be invalidated by this decision.

In brief, the decision of the Supreme Court states that a manufacturer cannot be prevented from using shoddy provided that it is sterilized, and that the provisions of the law that demand inspection of the materials that go to make up comforts and beddings can be applied to the use of shoddy.

The particular part of the decision that is expected to have a wide application says: "The business here involved is legitimate and useful; and while it is subject to all reasonable regulation, the absolute prohibition of the use of shoddy in the manufacture of comfortables is purely arbitrary and violates the due process clause of the Fourteenth Amendment." The result of this decision will bring direct competition between shoddy and non-shoddy bedding material.

German Linoleum Companies Effect Merger

There has been a merger of German companies controlling 90 per cent of the domestic business in linoleum, according to word just received by the Department of Commerce. The industry hopes to be put on a more economic basis through the elimination of a

simplification program and an exchange of technical and scientific information. The German firms have little home competition and are in a strong position to contest the foreign markets. An American company has recently entered the German field with its products.

Seeks Investigation of Foreign Plants

Senator Dill has proposed a resolution calling upon the Secretary of Commerce to investigate the number of American manufacturing concerns, "the nature and extent of such factories, the place and location, the amount of American capital invested in said factories, the value of the product produced in said factories during the last year, where said product was sold, the number of employees and the average wage paid." The purpose of the resolution is to learn the true condition and the truth or falsity of the reports of the establishment of American branches in foreign countries, despite the purpose of the protective tariff, which is to enable the beneficiary of the tariff in the United States to charge the foreign price plus the tariff duty.

Commission Again Hits Price Maintenance

The decision handed down by the Federal Trade Commission in regard to resale contracts will have a far-reaching effect in various lines of trade. The decision came in connection with the complaint of soft drink manufacturers and bottlers. The commission ordered that all clauses that tended to maintain a certain resale price should be terminated.

This same decision touched on the false branding of articles, such as bread, and instanced the use of the words "packed by" when in reality the bread was baked by this company. It ordered the concern to cease and desist from such means of misleading those who did not understand the difference between the two phrases.

There was also the ruling in regard to the names of brands and the names of various articles, so used as to be misleading, such as using "Knitting" and "Mills" in such a way that there was confusion between two concerns, one of which had these words in its trade-mark, and the other of which used the same phrase in its advertising and on its letterheads.

Calumet Decision Puts Ban on Free Publicity

The Federal Trade Commission has gone on record as opposed to certain forms of free publicity, meaning that which is anonymous. The ruling came in connection with the cease and desist order against the Calumet Baking Powder Company.

This decision unmistakably rules against the employment of a professional writer whose aim is the disparaging of the goods of another, referring particularly to that of a competitor. It also ruled out articles of anonymous authorship which may have the same effect. There is mentioned in the ruling the publishing of anonymous advertisements that, in this case, warned against the use of self-rising flour. But all forms of advertising were included which tended to deceive the trade and prevent the manufacturers of self-rising flour from knowing who

their opponents might be. The decision also includes the sending out of any published material through trade sources that would tend to disparage the goods of the competing firm. It is understood that such material may be circulated if it is signed in such a way that the authorship is known to be that of a competitor.

England May Require Labeling of Imports

A bill before the British parliament provides for the setting up of committees to hear trade proposals which will require the labeling of imported goods as foreign-made or as Empire-made, it being optional with the exporters whether the particular country of origin should be specified or not.

The Department of Commerce receives word that special consideration is to be given cases of the importation of semi-manufactured goods for further manufacture in Great Britain. Fresh, frozen and chilled meat, bacon, ham, cheese, honey and possibly eggs, are some of the imported agricultural products likely to receive early attention.

Silverware Makers Adopt Simplified Practices

Representatives of the leading manufacturers of silverware conferred with the officials of the Department of Commerce and adopted a program that will eliminate excess weights, styles and patterns of silverware to the extent of nearly 50 per cent. The estimated saving is \$5,780,000.

The conference adopted a program which includes sixty-two items as the accepted standard of flatware silverware, fixed certain weights for silver teaspoons, and recommended that a new pattern be marketed for a two-year period. It also provided for the elimination of patterns which have been listed as "discontinued" over a period of five years.

It was disclosed in a survey that over a ten-year period which began in 1914 there had been 108 new patterns developed by nine manufacturers and that 40 per cent of

these patterns had since been discontinued. Under the new program these same manufacturers will turn out but forty-five in the next ten years. The reduction in the number of new dies alone will effect an estimated saving of \$2,000,000.

The United States piled up a total merchandise trade with the Far East in 1925 of \$2,135,199,000, which represented an advance of \$413,169,000 over the previous

year, or 23 per cent. Our export trade with the Far East registered an increase of only \$2,313,000, which was less than one-half of one per cent, according to the Far Eastern Division.

Robinson of Arkansas has introduced a bill to reduce the membership of the Tariff Commission and to provide for disqualification of members in certain cases. The bill is now in the hands of the Committee on Finance.

Co-op Marketing Activities Upheld by Courts

THE Bureau of Agricultural Economics of the United States Department of Agriculture recently issued the third of a series of reviews of important cases and decisions covering the legal phases of the organization and operation of cooperative marketing associations. The activities of cooperative associations were upheld in the majority of court cases in the various states affecting activities of Farmers' Cooperatives, and cooperative marketing legislation also was passed in a number of states.

The California Fruit and Apricot Growers' Association filed twenty-five suits against its members seeking to enjoin each of the defendants from disposing of his products outside the association and asking for the specific performance of each of the contracts involved. All the cases were decided in favor of the association, since in 1923 the state of California had enacted a cooperative marketing act which provided that existing associations could acquire the benefits thereof by a vote of their members at meetings held after notice and the association's action could not be construed as "special legislation granting privilege and remedy to one class which are denied to others."

Statutes providing for the incorporation of stock and non-stock cooperative associations have recently been passed in Nebraska and New Mexico. Each of these statutes is comprehensive,

containing the usual provisions with respect to the propositions which shall be set forth in articles of association of organizations formed under them. In addition they may contain any provision consistent with law regarding management, regulation, government, financing, reserves, membership, the establishment of voting districts and the election of delegates. Producers desiring to form an association under the statute have great latitude and choice with respect to the provisions covered in the charter of the organization.

A Minnesota judge recently held the contract of the Minnesota Potato Growers' Exchange to be valid, in a case against one of its members for the purpose of enjoining him from disposing of potatoes outside the exchange. A similar case was decided in favor of the Burley Tobacco Growers' Association against one of its members by a Kentucky circuit court.

Decisions in Washington, Kansas, Minnesota, Alabama, Arkansas and other states likewise have been favorable to the associations involved. Cooperative acts in practically all cases have been sustained. Liability of farmers' cooperative business organizations for federal income tax hinges upon whether or not all patrons are treated alike in regard to deductions and patronage funds, and the use made of any net income which may accrue in the conduct of the business.

Concentrating on One Brand Builds Volume for This Jobber

How a St. Louis Jobber Uses Specialty Sales Methods to Back Up Consistent Advertising Campaign of the Manufacturers

By Donley D. Lukens

FIRST, be sure that the product you have is an outstanding value. Then, concentrate your efforts on that merchandise for four or five years. It has been our experience that it requires that length of time to establish any product in the minds of both the trade and the consumer."

This is the way William A. Hoelscher, vice president of The Stickney-Hoelscher Cigar Company of St. Louis, described the policy upon which that company's business has been built.

The way in which they established the Dutch Masters Cigar in the St. Louis territory after two other jobbers had failed to put it over is an excellent example of how they apply this policy.

Salesmen Insist on Display

The Dutch Masters Cigar was added to the Stickney-Hoelscher line in the latter part of April, 1923. Assisted by small space advertising which appeared regularly in a morning newspaper, the company's nine salesmen were able to secure satisfactory distribution within a few weeks from the time the campaign was started.

During 1924, the second year the company handled Dutch Masters, the sales for each month increased on an average of 62.1 per cent over the sales for the corresponding month of 1923. Each month in 1925 showed an average increase of 45.33 per cent over the corresponding month of 1924. Although the percentage figures show a smaller percentage of increase for 1925 over 1924 than they show for the increase made in 1924 over 1923, the 1925 increase was much larger when figured on a dollars and cents basis.

"The method by which we made these increases was simplicity itself," said Mr. Hoelscher.

"First, we insisted that the manufacturer back us up with consistent advertising to create consumer acceptance. Then our salesmen made it their business to see to it that the dealers all keep Dutch Masters on display in their show cases.

"When the salesman calls on a dealer and finds he is not showing Dutch Masters, he does his best to sell that dealer on the idea of putting the brand in a prominent place in his show case. If the salesman fails to sell the dealer this idea, he reports this fact to the office and we send a specialty man to help the salesman secure the display.

"Each salesman's territory is checked at least six times a year to see that he is securing the proper display for the brands of cigars we handle.

"It has been our experience that consistent newspaper advertising will create consumer acceptance for a cigar, but it will not sell that cigar if the dealers keep the advertised brand under the counter.

The Cigar Buying Habit

"Cigars are bought more frequently than any other branded goods a man buys. The result is that the habit of asking for the brand they have been smoking becomes so firmly imbedded in most men that they unconsciously ask for their old brand unless the new brand catches their eye when they are in the store buying cigars. Then, if the newspaper advertising has sold them the new brand, they will try it. Even after they have tried a new brand and found it more to their liking, still, the new cigar must be on display as a

reminder every time they buy, until they have formed a new buying habit.

"This is not just a pet theory of ours. It is borne out by our sales records which show that the same dealer will sell twice as many advertised cigars during the week he has them on display as he will sell of the same brands during a week in which he does not display them."

Twice a month Stickney-Hoelscher hold Saturday morning sales meetings. At these meetings the salesmen are given an opportunity to present any particularly knotty problems which they have met in their territories. Everyone then joins in the discussion to help find the solution to each problem. If any other salesman has had the same situation to combat, he tells how he overcame it. The sales manager and officials offer any suggestions they may be able to make. In short, everyone tries to help the other fellow.

Hold Regular Sales Meetings

As soon as the individual salesmen have received whatever assistance they may have wanted with their problems, the meeting is turned into a general discussion of the plans and progress of the company. Advertising, sales records, the number of new accounts obtained, comparison of sales with the corresponding month of the previous year, and better selling methods—all come in for their share of the discussion.

"Sales," says Mr. Hoelscher, "always show an increase after one of these semi-monthly meetings. The salesmen leave them with a fresh fund of enthusiasm and a renewed appreciation of the value of prominent dealer displays."

Freight Loadings Show Gain

Loading of revenue freight for the first four months in 1926 will total 16,555,576 cars, according to the estimate of the Car Service Division of the American Railway Association. This estimate, which is for the eighteen weeks from January 1 to May 1, places loading of revenue freight 86,968 cars, or .53 per cent, above the total for the corresponding period in 1925 and 555,781 cars, or 3.4 per cent, over the total for the corresponding period in 1924.

The number of cars actually loaded with revenue freight from January 1 to March 6 totals 9,073-140, an increase of 61,100 cars, or .68 per cent, over the same period in 1925 and 217,670 cars, or 2.5 per cent, over the corresponding figure in 1924.

Arthur East to Join Home Owners' Service

Arthur M. East, who has acted as business manager of the Save-the-Surface Campaign for the past five years, resigned recently to take the position of vice president and director of the Home Owners' Service Institute, Inc., of New York, an organization which is conducting home demonstration campaigns on behalf of manufacturers of national advertised building materials. He is succeeded by William R. McComb, formerly manager of the development department of the Brooklyn Chamber of Commerce, in the Save-the-Surface work.

"Publicity Through Motion Pictures," a demonstration of how the screen can be used for educational and industrial advertising purposes, was presented by G. R. Fessenden, advertising manager of the North East Electric Company, at the meeting of the Advertising Club of Kansas City on March 22.

G. M. Williams, president of the Nordyke & Marmon Company, spoke to members of the Advertising Club of Indianapolis, at their meeting on March 18.

Confidence Increasing Credit Demands

"The present outlook is for an active demand for credit in 1926 for general business purposes," is the opinion expressed by the National City Bank of New York.

"Trade and industry promise to be at least as good as in 1925, and the trend of prices seems quite as likely to be upward as downward. The stock market gives no sign of releasing credit and may absorb more. Confidence in the strength of the general situation is strong, and that confidence may easily increase the demands for credit."

Commission Hits Dealer for False Advertising

M. Goldberg, a retail furniture dealer of Philadelphia, has been ordered by the Federal Trade Commission to discontinue certain practices of false and misleading advertising which have been found by the commission to be unfair methods of competition.

The commission found that the dealer's trade name, Factory-To-You Furniture Store, misleads the purchasing public into the erroneous belief that he owns and operates a furniture factory in which the merchandise sold by him is made, thereby creating the impression that customers, in the purchase of his goods, are eliminating the profits of middlemen, that is, wholesaler, jobber, and retailer.

It was further found that respondent used the terms "Walnut," "Genuine Walnut," "Combination Walnut," "Mahogany" and "Combination Mahogany" in connection with furniture composed on its exposed surfaces in large part of woods other than walnut and mahogany, respectively. This practice, it was found, deceived a substantial portion of the purchasing public, and injured dealers in furniture who truthfully designate the various woods of such furniture sold by them is composed.

The Esmond Mills, Esmond, Rhode Island, manufacturer of blankets, has placed its account with Hommann, Tarcher & Cornell, Inc., of New York.

New Precedent in "Simplex" Case

A decision handed down by the Supreme Court recently, ruled that trade-marks registered under such corporate names as "Simplex Electrical Heating Company" do not entitle the owner to monopolize the name of "simplex" for all classes of products. The decision in the case of American Steel Foundries vs. Simplex Electrical Heating Company pointed out that the word "Simplex" is one of a large class of words which have for years been used because of their peculiarly suggestive meaning, such as Acme, Anchor, Champion, Excelsior, Ideal, Jewel, Liberty, Queen, Royal, Star, Sunlight, Triumph and Victor.

From this interpretation, it is assumed, that any one of this class of words now may be registered as a trade-mark for non-competitive products.

National Biscuit Buys Toledo Flour Mill

The National Biscuit Company has announced the purchase of controlling interest in the National Milling Company, of Toledo, Ohio, which has a production of 4,000 barrels of flour daily. For the present the milling company will be operated as a subsidiary to furnish flour to mid-western plants. The National Milling Company, which is headed by Harold Anderson, is capitalized at about \$500,000.

United States Senator Joseph T. Robinson, author of the Pullman Surcharge Repeal Bill, will be the guest and principal speaker at the Bigger Better Business Dinner of the National Council of Traveling Salesmen's Associations to be held at the Hotel Pennsylvania in New York City April 15. Edward A. Filene, of Boston, will be chairman and toastmaster.

The account of Jose Escalante & Company, manufacturers of Corina and Aurelia cigars, has been placed with Henri, Hurst & McDonald, of Chicago.

How Direct Selling Introduced a Radically Different Product

Whole Grain Wheat Company Finds Direct-to-Consumer Distribution Most Effective Means of Selling an Idea

By John L. Scott

IN selling some \$700,000 worth of canned goods last year without the services of either wholesalers or retailers, the Whole Grain Wheat Company of Chicago, proved to its own satisfaction that direct-to-consumer distribution is one of the most effective methods of teaching the public to accept and use a radically different product. Nine years ago, when C. H. Woodward, president of the company, developed an entirely new process of preparing food, he attempted to obtain distribution through the established grocery jobber and retailer channels. He was unsuccessful because his kind of merchandise could not be sold that way with any degree of permanence.

Retail grocers, he discovered, made no pretense of explaining the unusual features of his product to their customers. They stocked it merely as another line of prepared food and sold it in small quantities so long as it was flaunted before the public by huge advertising spreads. Many people will buy advertised products out of curiosity, but since a single purchase could not be considered a fair trial of such an article as Mr. Woodward brought out in his whole grain wheat, their trade had no enduring qualities. This large volume of advertising could not be kept up indefinitely in the face of dealers' refusal to do their share toward tying up with it, so when advertising expenditures were reduced, sales diminished proportionately.



Photo by Anne Shriber.

Distributors of the Whole Grain Wheat Company devote a large share of their time to the educational and missionary work of inducing families to select their food with greater regard for its nutritive value. Their first effort is to sell an idea; when they have done that, the orders come in of themselves, and these families help sell others.

From the time of their introduction until 1919, Mr. Woodward's products were sold in the same manner as practically every other prepared food, but the results were so unsatisfactory that he was faced with the alternative of getting out of business or seeking some new way of distributing them. He removed the goods from grocers' shelves and instead of shipping them through grocery jobbers, he set up his own wholesalers in various parts of the country. These wholesalers, in turn, passed the goods on to smaller distributors who sold them to the consumers. Both the large and small distributors handled the line exclusively and concentrated on selling it on a wholesale basis, with the result of loading themselves up with merchandise for which no retail demand had been created.

"We found that we were selling the goods three times, and not doing a very good job of it then," explains L. N. Hall, sales manager of the company. "First we had to

sell them to the wholesaler, then we helped him pass them on to the distributors responsible for retail sales, and finally we found it necessary to send men to dispose of them for the distributors. This involved such a tremendous selling expense that in 1925 it was decided to change our whole plan of distribution again.

"To do this involved teaching our wholesalers how to retail. Many of them preferred to act merely as central distributing points for retail distributors over a wide area. They had overstocked and overstocked the retailers.

We marked time during the early part of 1925 while we helped get rid of these overstocks which had been gradually accumulating over several years. When we had done this, we got back to earth as far as our production was concerned.

"There are certain distinctive qualities about our goods which make the selling of them a different proposition entirely from the selling of other canned goods. We decided, therefore, that before we attempted to sell our merchandise, we must first sell our idea. Briefly, this idea is that in the preparation of foods nothing must be added to them and nothing must be taken away. We take the whole grains, add nothing but water and a little salt, seal them in cans and cook them, shipping them in the same cans they were cooked in without opening them. We call our products "natural foods" to differentiate them from the average prepared foods, because they contain everything that was in them originally and nothing more.

"Because of the novelty of the idea, few people grasp it until it has been explained to them fully. Retailers could not sell the idea to their customers, and even extensive advertising could not do it justice. The public was accustomed to buy food on the basis of price and the number of servings in a package, disregarding the food value contained in the package.

"When a can of our whole grain wheat, containing just four servings, was placed on a grocer's shelf beside a large box of some other prepared food which contained twelve servings, there was little likelihood that our product would be purchased in preference to the other, especially when it was priced a few cents higher. We first had to prove why the four servings in our can represented many times the food value of the twelve servings in the large box.

"This could only be done, we came to realize, through personal educational work. Accordingly, we inaugurated a new plan of direct selling; our distributors now handle all our sales on a strictly retail basis. There are 1,600 of them throughout the country, and the number is growing steadily.

Selecting Distributors

"Before selecting these distributors, we insist first of all that they be users of our products. This may seem a strict requirement, but we believe that no one can sell or explain an article successfully who is not thoroughly sold on it himself. We next examine the records, personal habits and qualifications of the applicant very carefully, to make certain that he is physically and mentally capable of undertaking the work.

"The distributor must assure us that he is able to finance himself during the first five or six months he is working for us. When a man will agree to do this we may be sure that he has decided to go into the work wholeheartedly and has determined to stay with it until he has built up a lasting business. We tell him it will probably be six months before he begins to make a profit, and if that objection does not shake him we assign him a

territory and ship him his first consignment of goods.

"Each distributor we select is literally set up in business for himself. He buys his stock from us for cash, looks after his own storage and warehousing needs and sells to the consumer for cash. We encourage him to start out on a small scale. While his initial order must be for not less than \$28.00 worth of goods, we do not want him to go much above that figure. About half the men who start to work for us open with this \$28.00 order, while the balance order initial stocks of between \$50.00 and \$100.00. A short time ago I rejected an applicant who wanted to cover six counties in southern Illinois and was prepared to buy \$4,000 worth of goods at once. We told him that we would rather have him send in orders as he developed his market, which would necessitate a modest start.

Developing a Territory

"The first thing a distributor does is to check over the people in his territory and select a list of 200 or 300 names of those he wants as his customers. We put those people on the mailing list to receive copies of *The Motive*, a magazine published in the interests of whole foods, cooked without oxidation, as an aid to better health. We write to each person he selects, mentioning that our distributor is giving the magazine free and expressing the hope that he will be received when he calls. This creates a strong opening for his first calls, and frequently he finds that his prospect has become very much interested in our products through seeing our advertisements in *The Motive*, and reading articles on health and diet by authorities on the subject. The distributor pays postage on magazines sent to his prospects, while we bear the remainder of the expense.

"One of the most important phases of our plan is that we sell only in dozen lots. Whole grain wheat, the leader in the line, can be purchased only by the dozen cans. The other seven articles we prepare may be apportioned in dozen lots as the customer may desire, but the order must include

a dozen cans at least. In this way we know they will be given a fair trial where a single can might not make a very strong impression.

"When a distributor begins to work a territory, he devotes most of his time to missionary effort. He orders only five or ten cases at a time and waits until most of that is sold before re-ordering. By the end of two months he probably is ordering twenty-five cases every two or three weeks and his orders keep growing until in six months he realizes some net profit. As soon as his business has developed to a point where he can sell the greater part of a carload, we urge him to buy in carload lots and re-ship the remainder to nearby smaller distributors.

Profits for Distributors

"This does not mean that we encourage him to devote his efforts to wholesaling or even to depend upon that end of the business for profits. We point out that he probably will make very little profit from it, but that it will increase his turnover on retail sales. Our distributor in San Francisco, for example, buys in carload lots at a price of about sixty cents a case lower than the price on smaller shipments. By the time he re-ships a portion of this to smaller distributors most of the sixty cents a case has been absorbed, but he makes an additional sixty cents on every case he sells at retail, orders oftener to increase his turnover and breaks even or makes a slight profit on his wholesale sales. The smaller distributors get the goods at just the same prices as if they ordered direct from us.

"Starting as one-man businesses, many of our distributors have built up large organizations. In some cases shipments reach \$7,000, while the average for distributors in the larger cities amounts to about \$4,000. We have a man in New England who started to sell for us on a part-time basis while he was working in a factory. Although he was a skilled worker he had never made more than \$32.00 a week, and by the time he sold our goods for several months he was making more from his work for us than he was in his regular job. We advised him to quit his

Altoona Showing Most Gratifying

**Comparative Tabulation From Business Review
Places City in Class Far Above Others in District**

THE Business Review" of the third federal reserve district, Philadelphia, in its March issue, contains a leading article on business conditions in the United States which certainly puts Altoona on the map. So well does Altoona stand in the tabulated columns of business conditions, that it is for the most part in a class by itself.

To get down to city conditions, tabulations comparing January with December showed Altoona with 12.8 per cent employment increase; an increase of 4.9 per cent of wage payments; an increase of 62.1 per cent in value of building permits; and an increase of 1.4 per cent of savings deposits.

And in addition to these high-spot conditions, Altoona Car Shops have just received an order to build twenty-four new dining cars for the Pennsylvania Railroad Company, which insures continued prosperity for months to come.

You will make no mistake in sending your sales crew into Altoona.

Link up your advertising with this prosperity by using

The ALTOONA MIRROR

The Best Circulated Newspaper in Central Pennsylvania
Business Direct **F. G. Pearce, Advertising Manager**



A New Binder for your copies of Sales Management Magazine

This handsome new binder for Sales Management magazines has been designed for our many subscribers who have wanted to keep their copies on file but have had no convenient method for doing so. It will now be an easy matter to keep past issues as well as the current numbers on hand in this binder for ready reference.

Each binder will hold thirteen magazines. Each issue as received can be easily and securely fastened in the binder which will open flat like a book. Made of heavy durable material bound in Super-Finish Art Leather. The cover is finished in two-tone dark brown Spanish grain with lettering and panels in antique bronze.

You will want this binder for your desk or library.

Price \$2.00 each, postpaid

Sales Management Magazine
4660 Ravenswood Avenue, Chicago, Ill.

other job and devote all his time to selling our products. He took our advice and is now averaging around \$65.00 a week profit.

"One of our largest distributors employs twenty-five sub-distributors. He began by doing all the work himself, gradually adding to the business as it developed. Now his gross profits amount to more than \$10,000 a year. A great many of our distributors took our goods on as a side line to something else originally, but switched over to it exclusively after the business had become established.

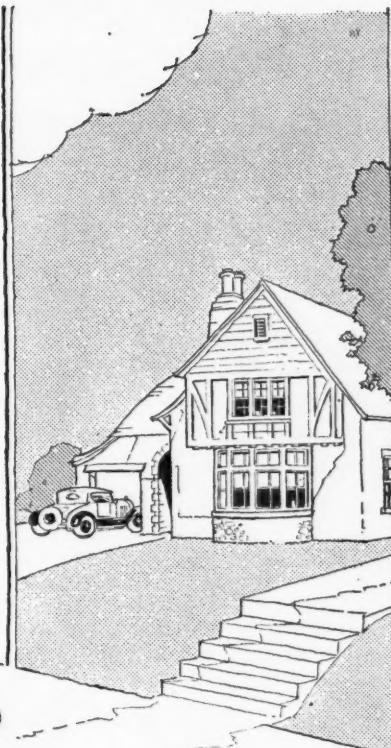
"In 1924 we attempted to force the market. Our first real success was attained in 1922, immediately after we installed our direct selling policy, when sales reached approximately \$50,000. The next year they had grown to \$240,000 and we began to think that we could put high-pressure selling into play. Carrying out this idea, we sold \$700,000 worth of goods in 1924, but in doing so we overloaded our distributors. There were excess stocks in the hands of distributors all over the country. Last year we showed but a slight gain over the year before, but we helped dealers clean out their stocks and now there are less than 450 cases of unsalable merchandise anywhere.

A Steady Growth

"We feel that we are back again on a steadily expanding basis and will do a \$1,000,000 business in 1926. We no longer are attempting to build our business rapidly. It is one which must be developed slowly and painstakingly to be permanent. Each distributor's customers learn to depend on him to fill their requirements regularly. He knows just about the quantity his customers will consume over any given length of time, as well as the number of new users he will probably obtain.

"Turnover within our distributing organization averages about 50 per cent. In 1925 it was slightly below this figure, while in 1924 it was a little over. In keeping an organization of 1,600 distributors in the field for a year's time, a total of between 2,200 and 2,400 is run up during that period."

That New Skyline of Ours



A NEW skyline in the famous 49th State! Homes! . . . A skyline of new homes being built throughout St. Louis and The 49th State.

And a newspaper has inspired this thing.

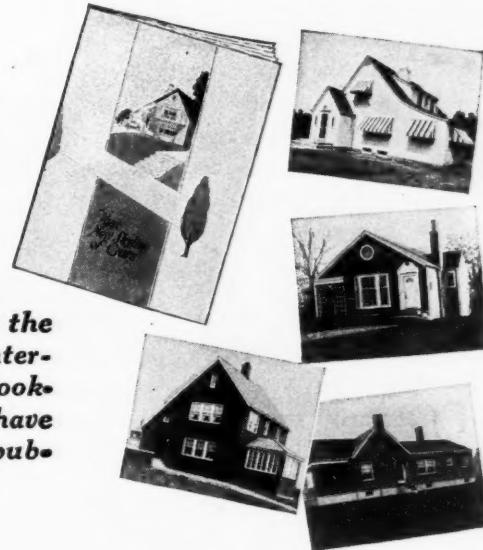
Here's one of the biggest projects the *Globe-Democrat* has ever carried out. And we've just published a handsome booklet telling of this interesting plan. . . . Showing how the *Globe-Democrat* Small Home Bureau is helping readers build homes.

. . . Showing photographs of some of the homes already built.

. . . Showing how our Home-builders' Page in the Sunday *Globe-Democrat* is winning new business not only for contractors and material supply firms, but for all who sell things pertaining to the home—furniture, appliances, musical instruments, radio, and all the rest.

Here's a key to multiplying sales. . . . And a book is waiting for you—a free book which will elucidate.

Write for it, or ask our nearest representative to bring it, and explain it.



*One of the
most interest-
ing book-
lets we have
ever pub-
lished.*

St. Louis *Globe-Democrat*.

St. Louis' Largest Daily

NATIONAL REPRESENTATIVES

F. St. J. Richards, New York
C. Geo. Krogness, San Francisco

Guy S. Osborn, Chicago

J. R. Scolaro, Detroit
Dorland Agency, Ltd., London

Why So Many Salesmen Fail When the Sales Appeal is Luxury

What a Sales Manager Learned When He Began to Study the Types of Salesmen Who Succeed in Selling High Priced Luxuries

By Morgan P. Wood

ONE of the proprietors of a large Toledo department store was recently making his daily inspection trip around the store when, in the furniture department, he recognized the wife of one of Toledo's richest men. A young salesman was engaged in showing her bedroom suites. By a fortunate chance neither customer nor clerk saw him approach and he was able to station himself in a position where, without advertising the fact, he could watch the progress of the sale.

Why One Sale Was Lost

The clerk first led his prospect to a suite priced at \$600, which the lady began to examine appreciatively. To the surprise of the proprietor, however, the clerk gave her very little time for examination of it. Instead, he quickly led her to another set, priced at \$250. Over the second set he became voluble in his enthusiasm.

His effort proved unavailing. His prospect looked casually at the lower-priced set, looked back indecisively at the more expensive pieces and, in a moment, broke away and departed.

Immediately upon his return to his office the proprietor called the clerk up to question him about the lost opportunity.

"You recall the woman who was looking at bedroom suites this morning?" he asked.

"Oh, yes," replied the clerk, "that was Mrs. X——."

"Do you know anything about her or Mr. X——?"

"Yes, he owns the B—— Company."

"Must be a rich man, then?"

"Yes—he's a millionaire."

"Then tell me—you showed Mrs. X—— the \$600 suite and she

was interested. Why did you take her away from it and push the \$250 set, instead?"

"Why, I wanted to make a sale."

"But why not make a \$600 sale instead of only a \$250 one?"

"Why, I didn't know there was anybody rich enough to pay \$600 for a bedroom set!"

* * *

At first thought this may appear to be a random incident without further significance, merely exhibiting the shortcomings of an individual salesman. As a matter of fact, it seems to me to illustrate a sales requirement of broad application and one too often neglected in sales planning—the desirability, (in some cases the **necessity**), of having sales representatives and prospect on "comparable planes."

For instance, I recently attended a luncheon session of the sales convention of a company which markets an item of home equipment at a price approximating \$1,000. In addition to highest first cost, the maintenance cost is above that of competing articles. The sales arguments are comfort, convenience and luxury. Unless those are thoroughly understood and appreciated, there can be no sale.

Some Can and Some Can't

The sales representatives of this company, a nation-wide organization, have only two sources of sales—first, and principally, their own personal efforts; second, the well meant but largely ineffective efforts of sales clerks on the floors where the article is on display. Virtually every lead developed by such clerks, however, requires, for closing, the personal attention of the manufacturer's local representative.

A group of these representatives at the table where I sat were

discussing this condition, seeking an explanation why an article which they found no serious difficulty in selling should be so hard for others to move. Various theories, such as less technical knowledge, less interest, less personal sales ability and so on, were all brought forward and disproved. Finally a Western representative, who had been listening attentively but quietly, cut incisively into the conversation.

The Comparable Planes Factor

No, you haven't hit it. It's still something else. The reason those fellows can't sell it is the fact that they can't really get it solidly into their minds that people are willing to pay a couple of hundred dollars more at the outset and three or four hundred dollars a year more afterward for anything as intangible as luxury. They themselves don't do such things. They don't come from homes where luxuries of our sort were ever part of the picture. Though they know that we sell the things, it's pretty much a mystery to them how to do it. And the only reason we can do it often enough to make it profitable for us is that every man of us has an income large enough to justify owning one. We aren't buffaloeed by the cost idea. It strikes us as perfectly reasonable. That's why we can make it strike our customers as reasonable."

By the time he had finished, all of his fellows were nodding their heads in agreement. The accuracy of his analysis was apparent. He had recognized the force of the "comparable planes" factor.

* * *

I was talking recently with the head of a company in which I am interested. The conversation

There's New Buying Wealth for You in NEBRASKA

Increased crop prices—greater industrial activities—new money, greater prosperity—*new buying wealth!* Nebraska's annual agriculture production in 1925 was valued at \$309,828,000. Nebraska's annual industrial production averages \$600,000,000. And the increase of both these assures 1926 being a big year for those who sell in Nebraska

and it is easy to reach

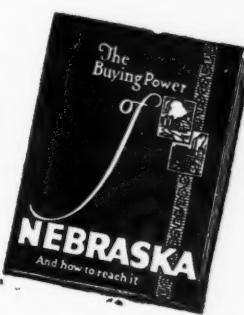
This prosperous state of eager buyers represents 303,436 families, among whom the state's richness is unusually well distributed. The Nebraska Daily Newspaper Association gives you easy, dependable access to all these families.

This association, made up of 16 leading daily newspapers, offers a combined circulation of 314,819. These dailies thoroughly cover the responsive market. They are the publications Nebraskans prefer to read. They give you an economical coverage of only 96c per line that you cannot afford to overlook.

The Nebraska Daily Newspaper Association has pledged itself to uniform cooperation of each and every member with those who advertise and sell in Nebraska.

This association assists you in gaining distribution. Letters announcing your campaign will be sent to dealers. Your representatives will be introduced to the most important dealers and wholesalers in the state, who assure you cooperation in every way to make your Nebraska campaign a success.

The market is here—richer than ever. Come in—and profit. Send for the valuable Nebraska book. It is full of facts of interest to every manufacturer, sales manager, advertising manager and advertising agency. It will tell you more about the consistently rich Nebraska market. It will be mailed free upon request. Send for your copy today—and sell Nebraska.



Sell in

NEBRASKA

NEBRASKA DAILY NEWSPAPER ASSOCIATION
FREMONT, NEBRASKA

Beatrice Sun
Columbus Telegraph
Fremont Tribune
Grand Island Independent

Lincoln Star
Kearney Hub
Hastings Tribune
Lincoln State Journal

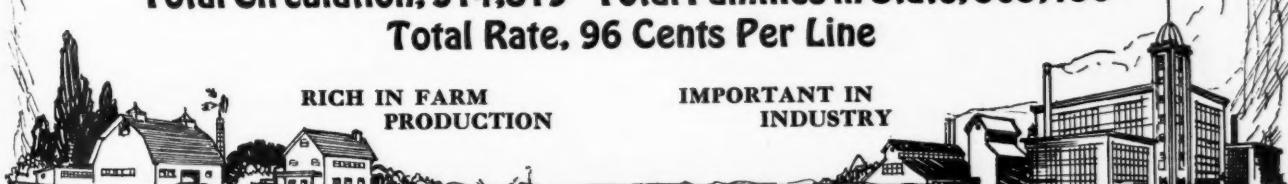
Norfolk News
McCook Gazette
Nebraska City Press
Falls City Journal

Omaha Bee
Omaha World-Herald
North Platte Telegraph
Scottsbluff Star-Herald

**Total Circulation, 314,819 Total Families in State, 303,436
Total Rate, 96 Cents Per Line**

RICH IN FARM
PRODUCTION

IMPORTANT IN
INDUSTRY



This Big Downtown Plant Can Be Your Chicago Warehouse



Insurance 17.7c per \$100 per year.
Negotiable Receipts

ARE your salesmen in this territory losing orders because it takes too long for your product to come to the trade here from your factory?

Have you figured how much of the money that you spend in advertising and sales campaigns is a total loss because your competitor gets the business by making immediate delivery from Chicago stocks?

If you have not investigated public warehousing as applied to the distribution of your product and want to know why enterprising manufacturers the country over find our services an economy and not an expense, write us now.

We can handle your goods on package basis, or you can lease space and handle your own stock. In case offices are required in connection with warehouse space, we can offer you fine accommodations.

Out-of-town shipments by rail can be made anywhere without cartage expense.

Merchandise stored in this modern establishment will enjoy the very low fire insurance rate of 17.7 cents per \$100 per year.

Western Warehousing Company

331 West Polk Street, Chicago
"At the Edge of the Loop"
E. H. HAGEL, Superintendent

turned to matters of selling. For this particular company a minimum sale runs in the neighborhood of twenty thousand dollars, the average sale totalling well over thirty thousand. To accomplish a sale means dealing with the chief executive or executives of the prospect company and the process ordinarily requires months of cultivation. A year of consistent sales effort before a decision is made is not extraordinary. It might well be said that the task calls for a skilled negotiator rather than for a salesman of the more usual variety.

Knowing that the company had tried out a number of men as sales representatives, I asked the president how the present sales situation stood.

He answered, "Well, do you know, I think we have finally stumbled on a valuable fact to guide us from now on. I think you know that" (here he named three men in the organization) "are the only men that have ever actually landed any business for us. No one else we have ever had out ever closed a single order. We've been trying to dig out a reason for that and I think that, at last, we've found it. It's their fathers!"

When Background Affects Ability

"No—I haven't gone crazy or developed a genealogy-complex. Here's the point. All three of them had fathers who were heads of businesses. All three of them were brought up in an atmosphere of management and ownership. They think in those terms.

"To sell, we have to deal first-hand with heads of businesses—talk to them man to man—get them to respect our judgment. You can't do that unless you have the same viewpoint and the same outlook on things as they have.

"All of our other experiments as salesmen have had the employee viewpoint from their home life and bringing up—they were, almost of necessity, at a disadvantage when talking to the owner of a business, especially if it was a big concern, and that's the kind we need to sell.

"The men who have proved themselves able to sell for us don't regard the proprietor of a business as superhuman—he's simply

another business man and nothing to be awe-inspired about. They are accustomed to men of that type, they know their slant on things and they keep step with them mentally.

"From now on we don't pay a sales salary to anyone whose father wasn't a proprietor. I wish somebody had planted that thought in our minds ten years ago!"

* * *

A few weeks ago I dropped in at the office of the sales manager of a large real estate company. On a generously proportioned wall chart facing his desk was a list of his salesmen, and, opposite each name, vari-colored hieroglyphics in monthly columns. I questioned him as to what the mysterious display signified.

A Bargain Counter Complex

He explained that the company sales fall into three classifications—lots in the company's subdivisions, finished houses erected by the company and a general brokerage service in property and residences in the sections developed by the company. Of the three the first two represent by far the most important operations. On the chart three separate colors identified the three classifications, while arbitrary symbols signified the size of the sales.

Opposite one of the names I noticed an almost unbroken series of blue symbols—the brokerage classification—and asked the reason.

The sales manager smiled. "You have opened up an interesting topic," he began; "in fact, it's really a freak case. We hired that fellow Korach four years ago and started him out on the usual routine. He made pretty nearly a flat failure of it—couldn't move lots and couldn't sell the houses we were offering. He would have had little or nothing to show for his work if it hadn't been for the occasional brokerage business he picked up. Then, at first largely to help him out, we began to feed him opportunities to sell items we needed to move in order to complete sales on our regular stuff. He ate 'em up. Finally we discovered why. Any time he could

describe what he had to sell as a 'bargain' and explain why it was being offered at a sacrifice, then he could go out with confidence and sell it. Without that appeal he's lost.

"He understands the bargain-hunting type of mind because he thinks that way himself. It happens that we can use one clean-up man of that sort and so we keep him on, in spite of the fact that we'd go out of business if the rest of our men were anything like him. It simply seems utterly beyond his comprehension that there are men willing to pay full face value for something that appeals to them. He just can't think in those terms."

* * *

Four separate bits of evidence from four widely differing sales problems but all four curiously alike in their fundamentals.

It's All in Point of View

Though I have read scores of articles on the subject of selecting and placing salesmen, not one that I recall has brought out the need for taking into consideration this factor which I have called "comparable planes."

Yes—I recognize that there are exceptions which seem to upset whatever theory could be evolved.

That a girl clerk on low pay can sell a dress or a coat, representing many times her month's income, to a well-to-do woman, for instance, might seem to make the "comparable plane" theory a complete absurdity. It doesn't, however. The "comparable plane" in that case is the point of view.

The clerk can do it because the dress and its cost look reasonable to her—her own love of dress would induce similar expenditures if the cash were available. There is no mental hazard there. Similarly, automobiles can be sold by men who could not themselves afford to own and operate the make of car they are offering. So popular is the automobile that they take it for granted that every prospect wants the finest car he can finance. The point is that each set of conditions simply calls for its own analysis and, when so analyzed, the "comparable plane" can be discovered.

Caxton A Complete Organization



Planning Planned direct advertising pays—unplanned direct advertising wastes. Caxton has prepared successful plans for some of the country's leading national advertisers. Not just printing plans, but sales promotion plans, through what is commonly termed—direct advertising.

Art Economical and effective art is the result only of trained art direction. For twenty-five years Caxton has achieved an enviable reputation for effective art work. Art is one very important step in advertising production.

Engraving Caxton owns and operates its own engraving department, equipped for color process and black-and-white engraving. Not just an engraving plant, but an engraving department, supervised by an organization that has an appreciation of the relation of all advertising production problems.

Printing A Caxton department where direct advertising production is supervised and controlled by men having a keen sense of advertising values, whether it be a catalog comprising a single unit or a ten-piece direct advertising campaign. The economy of Caxton production is the result of knowledge and complete mechanical equipment.

Distribution Not a single unit letter shop or small printing plant, but a department—supervised by an organization that considers the distribution before the job is started. Caxton has produced and distributed millions of pieces of direct advertising, handling letters—both processed and multigraphed—imprinting, wrapping and shipping at surprisingly low cost.

We are ready to demonstrate all or part of this service.

THE CAXTON COMPANY

Applied Direct Advertising
Cleveland

BUFFALO PITTSBURGH COLUMBUS

TROY Also

By using newspapers in these cities, pretty fair coverage of New York State may be secured:

New York
Buffalo
Rochester
Syracuse
Albany
Troy
Utica

The importance of the Troy market is such that it should be included in every New York State campaign. There is no way to reach the Troy market except through The Troy Record—morning and evening.

Albany does not read Troy newspapers and Troy does not read Albany newspapers. Write for market analysis.

THE TROY RECORD

National Advertising Representatives:

CHAS. H. EDDY COMPANY
NEW YORK: Park-Lexington Bldg.
CHICAGO: Wrigley Bldg.
BOSTON: Old South Bldg.

What About Broadcasting as an Advertising Medium?

(Continued from page 492)

contacts had been made in that period. Within two weeks, more than a hundred thousand cards had been received from prospective tire users, and these cards had all been secured from Goodrich dealers.

"It can be said without qualification that nothing we have ever done in the last fifteen years of Goodrich publicity has created so much favorable comment among our sales organization and our dealers. It has permitted us to sign up a great many dealers because of the hundreds of car owners we have sent to their places of business through our announcing and radio logging dials. There was never any advertising force that directed so many people to Goodrich dealers' stores as this has done, and because a great many people would go into all types of tire stores asking for Goodrich literature, it naturally created a very friendly feeling toward Goodrich on the part of competitive dealers.

Finds Favor With Dealers

"Hundreds of letters have come to us from dealers, telling of instances where car owners have come to them and insisted on Silvertown tires because they felt indebted to the company for the wonderful concerts that had been given them. For example:

"Hundreds of motorists are prone to accept any one of the standard makes of tires, but your radio programs have injected Goodrich into their personal home lives and this is giving Silvertown Cords a decided edge."

"Another dealer writes: 'I know of no better way to bring the name of Silvertown Cord to the attention of the people than the way you are doing—through radio. It will give dealers a boost we have never had before.'

"A dealer in Brooklyn wired us: 'Your music is selling tires—keep on playing!'

"A great many letters have come to us from radio listeners referring

to our products in a very complimentary way. We have used some of these testimonials as a part of a rather extensive newspaper campaign in which we build a quality talk around our Silvertown Cord tires and our radio broadcasting. We developed the slogan, 'Tune in with Silvertowns—on Your Radio—on Your Car', and this slogan has been given widespread publicity through both our national and direct advertising efforts.

"For years we have been advertising Silvertown Cord tires in newspapers. A great many times we have been rather hard pressed for new and fresh appeals. Radio advertising, with this new type of testimonial, gives us an excellent opportunity to inject a fresh thought into our newspaper campaigns."

Goodrich has been broadcasting weekly since December, 1924, and is now using thirteen stations. It has discontinued the offer of an inducement for the "fans" to write, but they keep writing, nevertheless, as is indicated by the fact that the company still receives thousands of pieces of mail from them every month.

Creating Radio Characters

The Gold Dust Corporation has been broadcasting weekly since June, 1924, with the exception of a few weeks during the summer of 1925, and is now using twelve stations. This corporation employs a couple of minstrels, known as "Goldy" and "Dusty," whose only purpose, as the announcer phrases it, is "to brighten the corner where you are." They play and sing a great many old folk songs, sentimental numbers, and humorous pieces and the announcer always invites the listeners to send in requests for numbers they would like to hear these entertainers give. As a result, their personal mail, sent through the stations, averages something like 3,000 pieces a month. For the last eleven months of 1925, the total was 37,164 pieces.

The Gold Dust Corporation recently analyzed 5,159 letters and postals taken from their mail, as follows:

	Percent
Men signed	1,943 37.7
Women signed	2,190 42.4
Mr. and Mrs. signed	929 18.0
Children signed	29 0.6
No name	68 1.3
2¢ stamped envelopes	2,898 56.2
1¢ government postals	1,314 25.4
Commercial applause cards	947 18.4

Sixty Percent Family Mail

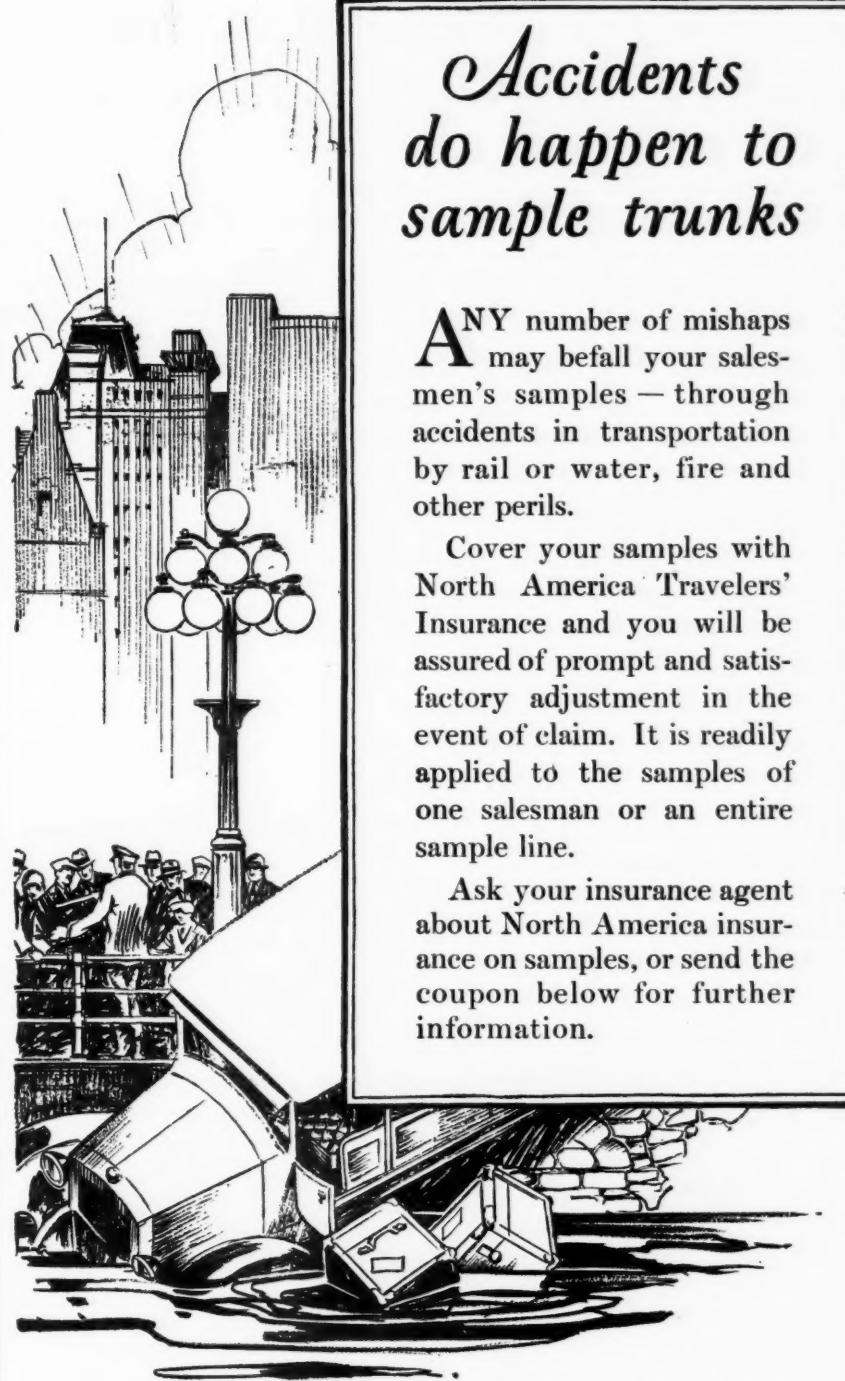
This would seem to indicate that 60 per cent or more of the mail received in response to broadcasting by a manufacturer of a domestic product is family mail, signed either by the housewife or by both husband and wife. The predominance of first-class mail, furthermore, indicates the sincerity of the writers and their willingness to go to some trouble to express genuine appreciation of entertainment given them.

Station WEAF publishes this as proof of the effectiveness of its medium: "In April, 1924, the G. R. Kinney Shoe Company, distributors of children's shoes, broadcast the first story of 'Sir Hobgoblin's Adventures.' The initial contract was for a fifteen minute period weekly for three months. Based on the results obtained the client renewed for five months and upon the expiration of this second contract, two consecutive renewals for six months each were ordered. All of the above contracts called for WEAF only.

"In December, 1925, the client had become so thoroughly convinced of radio's power to produce sales results that a contract covering eight stations for the whole of 1926 was signed."

[The second part of this article will appear in the April 17 issue of *Sales Management*. It discusses the cost of radio advertising and the facilities for covering the country through this medium. It also points out some methods used successfully in tying up the programs given with the product the company sells.—THE EDITORS.]

The Chappelow Advertising Company, of St. Louis, is conducting a campaign of newspaper advertising for the Smith & Davis Manufacturing Company, also of St. Louis, said to be the oldest manufacturers of bed springs in the country.



Accidents do happen to sample trunks

ANY number of mishaps may befall your salesmen's samples — through accidents in transportation by rail or water, fire and other perils.

Cover your samples with North America Travelers' Insurance and you will be assured of prompt and satisfactory adjustment in the event of claim. It is readily applied to the samples of one salesman or an entire sample line.

Ask your insurance agent about North America insurance on samples, or send the coupon below for further information.

Insurance Company of North America

PHILADELPHIA

Founded
1792



"The Oldest American Fire and Marine Insurance Company"

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. X43

Name _____

Street _____

City _____ State _____

Wants information on Commercial Travelers' Baggage Insurance

Fixing a Price Policy for a Fast-Growing Business

(Continued from page 482)

to our February, 1926, advertising, and so on through the year.

In this way our advertising appropriation for 1926 is based, not only on what we sold in 1925, but on what we are selling in 1926. We think this is a safe policy and know it is surer to maintain a steadier increase in volume than we would enjoy if we held down the advertising effort to the pace set in the previous year.

During the first five years of advertising, our efforts were confined to national media. By 1922 our business had arrived at the stage where we could cultivate certain markets more intensively, so we added newspapers to our advertising. Since that time we have used newspapers to back up intensive sales efforts in key markets. The addition of newspapers brought about a quick response and helped us to chalk up still further sales increases. Each year we have added more newspapers to our lists as certain territories were brought up to a point that made intensive sales effort profitable.

Developing Marketing Policies

The best advertising in the world, the most aggressive salesmen, and the finest product made, still would not be enough to bring a constant increase in sales if the sales policies were wrong. From the outset we have adhered rigidly to a certain group of iron-clad policies in marketing our line.

We chose to sell our goods through certain dealers, and in spite of many opportunities to open up new outlets, we have stuck by our first policies. We do not see how we could expect loyal cooperation and intensive sales effort from our dealers unless they are given every protection in return. We have no quarrel with the mail order houses, but because we have cast our lot with the retail dealers, we will not sell to mail order houses under any circumstances. Neither do we sell to premium organizations, direct to industrial

users, or to cigar stores, hotels, pawnbrokers, jobbers, or wholesalers.

All of these lines of business are, of course, just as legitimate as our own, but we have chosen certain types of retailers as offering us the best channels of distribution. To sell to their competitors, is, to us, not only unfair to our customers, but another method of cutting off noses to spite faces.

How can we expect our dealers to sell goods if we sell to premium houses, direct to industrial concerns and to mail order houses? We have had many opportunities to sell pencils and pens to be used as premiums. Suppose, for example, we sold thousands of pens to be used as premiums with an item such as chewing gum. Little dealers of all kinds would buy chewing gum, then take the pencils out and sell the pencils at cut prices in competition with dealers we have spent years in building up.

Sales Per Man Increase

The first years of our business we had no salesmen other than the founders of the company; later on a few men were added and they covered large territories. In 1919 we engaged twenty salesmen, schooled them thoroughly in our policies, and gave them smaller territories.

The next year we added fifteen more men, the following year nine more; today we have seventy-five. Each man works on what we call a contract and quota system. When we hire a salesman, his contract calls for a certain salary, based on anticipated sales of a given volume. When his sales reach this point, his commissions begin on all business above this contract figure. The annual quota is considerably above the contract figures, which is set up as a minimum, and not as a quota.

We have a "Hundred Thousand Club," the members of which are men who sell one hundred thousand dollars' worth of our products in a year. This club is a big

incentive to our men to exceed their quotas and each year more salesmen win memberships in it. The first salesman to qualify in 1926 will be given a gold emblem, and a \$100 share of stock in the company in addition to his commissions which are paid on all sales over the contract figure.

An interesting result of increased advertising is the increase in sales per salesman since our advertising has become one of the major factors in our sales program. In 1919, when our advertising expenditures amounted to approximately \$60,000, and we had but twenty salesmen, average sales of each man were slightly more than \$64,170.

In 1925, with sixty salesmen, and territories considerably smaller than in 1919, average sales per salesman were more than \$77,757, an increase of \$13,587 per man. This we feel is largely due to increased advertising and intensive merchandising.

Plans for Direct Mail Meeting Completed

Plans for the first western convention and exposition of the Direct Mail Advertising Association, to be held at Los Angeles April 7, 8 and 9, have been completed under the direction of A. B. McCallister, general convention chairman, and Charles W. Collier, secretary-manager.

While the list of well-known speakers already engaged is proving the greatest attraction, new angles on direct mail campaign, an exposition of more than 100 exhibits of leading paper manufacturers, office appliance companies and other agencies, and a special display of new types of direct mail campaign work are other important features on the program.

An attendance well over the thousand mark is expected by convention officials, with western representation leading the list, although there will be many delegates from the East. In addition to the general sessions, there will be meetings of the house organ department, the retail department, financial department and advertising producers' department.

Sales Opportunities in the Australian Market

(Continued from page 500)

interested in viewing the Australian market is relative to the spread of their advertising. The circulation of American popular magazines has increased so rapidly in the past few years that there are probably 25 per cent more American than British magazines sold there. Manufacturers who are spending large sums of money on magazine advertising, and who do not realize the growing circulation in Australia, lose a part of the circulation they are paying for by not setting up Australian outlets.

The people of Australia, as a class, are constant readers. Some 90 per cent of the population is made up of educated English citizens who demand many newspapers and magazines. There are at least ten weeklies published in Melbourne and an equal number in Sidney. Some of the larger daily newspapers publish illustrated weekly supplements for people in the "outback" regions, and these, in addition to American and English papers, provide manufacturers with unusually profitable and responsive advertising media.

Competition from Britain

Outdoor advertising is used to about the same extent as in this country. Bulletins line the electric suburban "tramways" and the highways, but popular sentiment has cut down their use in the cities. While most American manufacturers do not see the necessity for advertising in either Australian or British magazines, depending upon the dailies and American magazines to carry their message, there need be little fear that they would have no approach to the buyers.

British and European merchandise, for the most part, cannot compare with American merchandise on the basis of quality, but, on the other hand, American manufacturers cannot hope to compete with British manufacturers on price. British goods are given a great tariff preferential, and as import

duties are levied for both revenue and protection, the prices on American goods must be considerably higher.

For this reason, and because there is little likelihood that tariff bars will be let down, some sixty American manufacturers have established subsidiaries in Australia. Most manufacturers who intend to develop the market on a large scale put up their own plants at once, while others, whose business there develops gradually, establish branches as soon as their volume warrants them in so doing.

Favor American Goods

Australia looks very favorably toward the development of American industry on its island. Already a program has been launched for the expansion of local secondary or manufacturing industries. Local manufacturers, including the sixty American subsidiaries, produced \$660,000,000 worth of goods last year, while only \$170,000,000 worth was imported from the United States. American exports consisted principally of automobiles and automotive equipment, lumber, chemicals, fuel and lubricating oils, machinery, iron and steel products, hardware, office equipment and other specialty lines. The products best suited to Australian industries are agricultural implements, textiles and such manufactured products as wearing apparel, groceries and confectionery.

Shipping facilities are perfectly adequate on the island. In addition to ocean traffic to points along the coast, "tramways" are very efficiently operated and difficulty is seldom encountered in transporting goods to any part of the country.

James B. Bell, editor and part owner of the American Poultry Journal, died in Chicago on March 26. Mr. Bell, who was in his sixtieth year, was with the American Poultry Journal continuously for thirty-eight years.

Triple The Industry!

That's the new slogan!

THE annual sales volume already has been doubled—one year ahead of time.

The same aggressive sales methods that accomplished the first goal will doubtless accomplish the second. Ahead of time, we hope.

Business paper advertising is playing an important part in developing new outlets for paints, varnishes and related products.

Witness the advertising columns of the American Paint and Oil Dealer, the only paper devoted exclusively to paint merchandising; and of the American Painter and Decorator, the most popular magazine for painters and decorators. Old names and old trade-marks; new names and new trade-marks; all doing their part to achieve the common goal—"Triple the Industry by 1931."

All getting at least their portion of this increased business.

To reach the manufacturers in this highly prosperous industry, the American Paint Journal is the outstanding medium. It is the only paper that confines its appeal to manufacturers in the Paint and Varnish Industry. In its field, it is the most attractive advertising "buy" available.

The present situation holds unusual possibilities for rapidly increasing sales. Write for the facts, to accurately appreciate the possibilities in this great and growing industry.

All three papers of the American Paint Journal Group are members of the Audit Bureau of Circulations and the Associated Business Papers, Inc.

American Paint Journal Co.
3713 Washington Avenue
ST. LOUIS, MO.

NEW YORK: Room 1352, 100 William St.
CHICAGO: 53 W. Jackson Blvd.

The Territory Included in This Map is Known as "The New York City Milk Shed"

Dairymen's League
News
Circulation

Next Largest Dairy Paper
Circulation

3rd Largest
Dairy Paper
Circulation

Graph showing
the Relative Circulation
of Dairy Papers in the
"New York City Milk Shed"

Only ONE Dairy Paper Really Covers This Market

AN examination of the circulation statements will show that the circulation of the Dairymen's League News is about three times the *combined* circulation of the two leading dairy papers in the same territory.

The "News" is the dairy paper of the East, edited by Eastern men to meet the particular dairy problems that face our farmers who rely chiefly on the sale of fluid milk in Eastern markets.

The "News" Is Farmer Owned

The subscribers to the Dairymen's League News feel a proprietary interest in the paper which they themselves established. Since the average investment of every member in the League is about \$200, this interest is active and concrete.

Almost without exception, the readers of the Dairymen's League News are actively interested in dairying. The average herd per member numbers sixteen cows, assuring a substantial income from milk, which is supplemented through the sale of Poultry and other crops.

National advertising has its advantages, but the dairy farmers of the "New York City Milk Shed" can be economically reached only through the one outstanding Eastern dairy paper. The line rate is so low—50c—and the returns are so gratifying, that the "News" is carrying a steadily increasing lineage.

A request will bring you Sample Copy and Rate Card

40% of the Farm Income in this territory comes through the sale of Dairy Products.

"The
Dairy
Paper
of the

New York City
Milk Shed"

DAIRYMEN'S
league
NEWS

New York
120 W. 42nd Street
F. M. Tibbitts, Bus. Mgr.
O. E. Everett, Adv. Mgr.
Phone Wisconsin 6081

Chicago
10 S. La Salle Street
John D. Ross
Phone State 3652

Why We Cut Down Territories

(Continued from page 483)

to work and then be in a position to live according to his monthly earnings thereafter. Demanding that men come up to this requirement automatically insures the company of getting a high type of salesman.

There are a number of obvious advantages to be gained by such a plan of remuneration, not the least of which is that it is not necessary for the house continually to emphasize the advantages in pushing long-profit lines. When a man realizes that on one item the gross profit is 25 per cent and on another it is only 15 per cent, needless to say, he is going to feature the 25 per cent article, for out of this he must get his salary.

Avoid Overbalanced Stocks

Sales managers, of course, know the fallacy of over-balancing a dealer's stock, especially if the over-balancing is done with a short-profit line. Loading a dealer with a 15 per cent item automatically cuts him off the list of prospects for a sizable order of some 25 per cent item until he moves his surplus of the first. In the meantime he owes the jobber a big bill and, likely as not, rather than be asked to settle the old account before the next order can be shipped, he eases around and buys his small long-profit fillers from some competitor.

The salesman on a profit-sharing basis soon senses this danger; and he naturally watches overloading. Instead, he gradually becomes a sort of buying counselor to his dealer customers, advising them freely, as he becomes more intimately acquainted, in regard to more balanced purchasing. The smaller territories enable the men to do this efficiently.

In order that the salesman may know at once without trusting to memory which items carry long profits, or just how each item stands in regard to profit margin, the catalog and price lists are keyed. The salesman can then adjust his sales effort accordingly.

A Survey of Merchandising Trends in Confectionery

(Continued from page 490)

outlets for candy they appear to be developing almost as rapidly as the drug stores and the newsstands.

Grocery stores appear to be getting back into the candy business here and there, after several years during which they were practically out of it. Many of the reports from manufacturers indicate that there has been a more or less concerted effort on the part of the grocery jobbers to get back the pail business that had gone largely into the hands of the ten-cent stores and the department stores. In some instances it appears that the jobbers have been pooling their orders in the effort to give the grocer a price advantage, especially for the holiday trade.

Controlling Retail Candy Stocks

Fruit stores and stationery stores are reported as gaining or losing in about equal proportion. Billiard halls, gasoline stations, soft-drink stands, roadside stands, etc., are all mentioned as increasing their sales of bar goods. The only class of retail trade that appears to be definitely losing is the bake shops. Nobody attempts to give any reason for this, but more than 80 per cent of the returns state it as a fact.

So far as the package end of the business is concerned, there seems to be a general tendency to abandon the exclusive agency idea. The following letter from a nationally known manufacturer of high-grade package goods is amply corroborated by reports from other sources, and by interviews:

"In our opinion," this manufacturer writes, "the most radical change that has taken place in the confectionery business during the past few years is that the exclusive agency has, to a great extent, been done away with. Most retailers now sell more than one line and the leading manufacturers sell more than one store in a town. This plan, we believe, has worked

out to the advantage of both the better class of retailers and manufacturers. In some instances, however, it is being overdone."

As already stated, the widespread popularity of the bar business, and the apparent ease with which this class of product could be sold, has led to a notable increase in the number of independent wagon jobbers. The wagon jobber is nothing new in this field, as it happens, but these late comers are mainly drivers for established jobbers who think they see a chance to break loose and go into business for themselves with a few spot-delivery items and no stock back of them. How the situation looks from the standpoint of an established wagon jobber is indicated in the following letter:

"We have auto trucks working out of Ada, Purcell and Wewoka, Oklahoma, in each of which places we carry from \$2,000 to \$4,000 stock. About \$1,600 invested in trucks means something to us in the way of expense that the average manufacturer selling to the jobber has no idea of. We do, however, find this a successful method of doing business. Our trucks carry from \$300 to \$600 worth of goods, selling from \$150 to \$160 daily with one man.

One Wagon Jobber's Opinion

"The writer has had about twelve years' experience as superintendent in factories in Chicago, and made a close study of this method of distribution. Wagon jobbers throughout the country are not successful as a rule. Speaking for ourselves, as wagon jobbers, we remain in business the year around, carrying a full line of merchandise. Others put a small body on the back of a Ford roadster, sell candy for a few months and quit, generally selling the last \$100 worth at about half price. That represents pretty difficult competition for the rest of us to meet."

HOTEL SINTON

Cincinnati's Finest Hotel

Accommodations for
1200 Guests

Metropolitan atmosphere. Rooms, cuisine and service of supreme excellence. In the center of the business life of the city. The rendezvous of the city's business and social leaders. Accommodations for twelve hundred guests. Every room with bath and servidor. Telegraphed reservation assures accommodation.

HOTEL SINTON

Cincinnati's Finest Hotel
JOHN L. HORGAN, Managing Director



**4,964
317,843
200,598**

and perhaps a few thousand more pieces of "ordinary printed matter" will be produced and delivered this year—but much of it will neither produce nor deliver.

The "Acorn" imprint on your Direct Mail insures carefully planned and beautifully executed "tested seed" sure to germinate and grow.

Write us.

*The
Acorn
Press*

OMAHA, NEB.

Creators, Designers and Printers
of Quality Direct Mail

3



EDITORIAL COMMENT



What Is Wrong With the Retail Business?

There is no use of mincing words. The retail business of the country—especially in the dry goods line, is not making enough money to attract the right kind of brains. Merchants are trying to do business with 1918 prices and 1926 overhead. The gap is too wide. Moreover it is getting worse, not better. Unless we are greatly mistaken, there are going to be a lot of surprising failures during the next three years, unless something is done quickly to set conditions right. One thing that is radically wrong with retailing today is the fetish that has been made out of price. The average department store buyer has but very little interest in quality. The big thing with him is, is it cheap? Department store counters are loaded with junk. Merchants kid themselves by thinking they are shrewd business men when they are able to undersell the store down the street. They see the crowds surge into the store in response to their advertising and they think they are doing a wonderful business. Yet when the end of the year comes, the profits are not there. Why? Because the repeat business did not develop. The profit has been eaten up by having to find new customers for old. Profits in any business are not made on the first orders—but on the orders that follow which come of their own accord and on which there is no selling expense. Merchandise made to sell at a price—the kind of merchandise that fills the counters today—does not bring customers back. On the contrary, it drives them away.

The Jobbers Strike for Bigger Discounts

There is a well defined and organized effort being made by various groups of jobbers, notably in the drug field, to force manufacturers to increase discounts by means of sliding commissions to jobbers' salesmen. Some drug jobbers have even gone so far as to devise order blanks for a salesman's use which automatically groups all purchases according to the jobber's discount. Nationally advertised items are entered on this order blank in one column, while brands on which the discounts are larger are entered in other columns. Each column carries a different rate of commission. The theory is that the salesman in writing up an order will strive to get as many items as possible into the columns which pay him the highest commissions, and as few as possible in those columns paying less commission.

This type of order blank is finding favor with jobbers, who see in it an instrument of torture which will force manufacturers to allow bigger discounts. Without taking sides in the battle which is brewing, it seems to us that this method has one big flaw. We refer to the difference between a discount and a profit. The jobbers assume that it costs them a certain percent of sales to do business, and any product that does not carry a discount large enough to cover that percentage, with a profit added, should be scotched. As a matter of fact, a jobber can very easily, in fact does, make more money on an item on which his discount is 10 per cent, but which turns ten times a year, than he does on another item on which his discount is 50 per cent but turns only once.

It therefore would seem to us that before the jobbing fraternity gets too deeply involved in this group commission project it should know what it costs to sell Colgate's tooth paste as compared with Strong's Arnica tooth soap. Otherwise the plan will merely stimulate sales on long profit articles at the expense of volume. The loss of volume might more than offset the benefits claimed for the plan.

One Reason for Our Industrial Ascendancy

In commenting on America's continued prosperity, Winston Churchill laid it largely to our willingness to scrap old machinery the moment we found better machinery. No doubt there is something in that. But we think there is another reason. We refer to the willingness of the American buyer to try anything once. In England it is different. If a certain concern has been buying a certain commodity from a certain house it will continue to buy from that house regardless of salesmanship, or any other consideration. The English cling to old business relationships. This shuts out competition, takes away the incentive for striving to get prices down; and makes it easy for the old established concern to hold business without worrying over newer production methods. The American manufacturer enjoys no such security. He never knows what fine morning he will wake up to find some competitor elbowing him out of his place. He knows that his only chance to stay at the head of the procession is to keep ahead of his competitors. The very moment he rests on his past laurels the procession will pass him by.

New Blood for Your Sales Department

(Continued from page 498)

planning of sales work. The aim of this course is to develop those who control and administer a sales policy so that their judgment would be scientifically based on the newest data on hand.

In the senior year, also, the student is required to carry out a piece of research in some problem of selling or advertising, which usually combines about all of the principles he has learned in the previous courses.

When the writer planned this paper, it was his thought that it might result in a larger number of sales and advertising executives realizing that in our modern colleges of commerce large numbers of young men were being trained in a way which was not possible years ago; trained in the history of business, in its principles and current practice, and ready to step in and learn rapidly to become valuable members of a sales organization.

A Warning to Employers

Not that there is any lack of demand for our graduates at present! Indeed, the demand for them exceeds the supply and each spring sees the representatives of many concerns visiting university campuses and signing up all the graduates who have not already made plans as to their future. One university authority says, "The curious thing is that in our school we wish that executives would stay away. The fact is that we are not able to meet the demand for our graduates."

Another writes: "The school guarantees no man a position upon graduation. However, it is the experience of the school that there is no difficulty in placing all the men who have finished their course satisfactorily and can be recommended by the school. Employers in greater and greater numbers are coming to the school each year to interview men. For a number of years the applications from employers for men have been much

That Man from Missouri

**"Show me first.
Then I'll do it!"
Queer how that came to mean conservatism.**

Perhaps it came about because a lazy individual was the first salesman sent to Missouri. Work didn't suit him.

But most of us like work and seek every opportunity to show the merits of our products or services.

What our organization has to show and sell are advertising facts, ideas and complete, centralized production facilities.

The advantages we offer are unique.

In our case, as in yours, inquiries from that man from Missouri are always welcome.



Nelson Company
ADVERTISING
1326 W. WASHINGTON BLVD.
CHICAGO

• • • now you can have information on every market!

Now you can have information on every market at your finger tips—ready for instant reference.

The new edition of Crain's Market Data Book and Directory affords compact information on a hundred fields of industry and commerce. Adequate indexing and careful elimination of non-essentials give advertisers and advertising agencies a book of facts indispensable in market finding and market analysis.

Since the welcome given the first issue in 1921, Crain's Market Data Book has been the acknowledged first source of market facts—the basis for intelligent market analysis.

Making the book of even greater use is a complete directory, listing all business publications, classified according to fields covered and published with the market information on those fields. Here you can find out, along with facts on where the market is, accurate information as to the means and cost of covering it through business papers.

Canadian papers are classified in the same way, and the only published list of foreign business papers is also included.

Ask us to send a copy on our liberal ten-day approval plan. You decide whether the book is worth five dollars to you. If it is not, send it back without obligation.

Crain's Market Data Book and Directory

G. D. CRAIN, Jr., Publisher

537 South Dearborn Street

Chicago

We like to do Good Printing

Telephones: HARRISON
6848 - 6849 - 6850 - 6851

For Quality Printing—leaflets, folders, broadsides, catalogues—just ask the telephone operator to send some one over.

It is very noticeable to us that those of our customers who insist upon really good printing are customers who come back again and again. That's one reason why we like to do good printing. There's another reason too. It's fun to do good work.

RATHBUN-GRANT-HELLER COMPANY
725 SOUTH WELLS STREET

CHICAGO, ILLINOIS

in excess of the number which could be supplied and recommended."

The purpose of this article, then, is not to furnish publicity for the colleges of business administration and their graduates. Rather is it to set forth in some detail the training which these graduates have received, so that the prospective employer may have a clearer conception of the student's academic background so that he can be placed more effectively.

Paddling Their Own Canoes

Possibly even a warning should be sounded to employers who may be oversold on the products of our modern colleges of commerce. Some of those employing our graduates appear to expect that a college course has done for certain men far more than any other training ever could. A college course of any kind only develops a man into more of the same sort of man he was when he entered school. It is often amazing to his instructors to witness the rapid changes a stripling just out of high school undergoes in four years of college life, but such a training can only bring out latent powers and abilities; it cannot supply the defects of nature and heredity.

The fact that a man passes his courses for four years and is handed a diploma is no guarantee that he is a first class man. He probably is a better man than he would have been without the training, but he may be no better than some man who has never gone to college at all. Employers will not find every graduate of a college of business administration a valuable employee. Discrimination must be exercised.

These young men are all willing to start at the bottom and are constantly exhorted that they must expect to do this; but the fact is that they are prepared to advance more rapidly than are men without the preparation they have received. One professor of marketing puts it rather forcefully thus:

"In passing I would also like to call attention to the fact that many modern business men are so entrenched in their own power and conceit that they are thoroughly

incapable of permitting younger men with capacity even to attempt to reorganize and construct business motivated by the ideas they have gotten at the university. There is too much of waiting for those above to die before giving those below opportunities.

"In a certain sense this has been good for certain types of men in that they have resented the suppression in many businesses and have ventured heroically to build a business of their own up from the bottom. I have been impressed with the fact that the best students in our schools of business administration are thoroughly capable of making their own way in the world apart from any organization when necessity compels them to make this choice."

The Materials for Study

It is hard to realize that a chap of twenty-two just out of school, can know anything of marketing practice. But when we visit the library of a concern like the Dartnell Corporation and see the many excellent volumes dealing with the various aspects of personal salesmanship, sales management, and advertising, it is easy to understand that this subject can be taught in a classroom today, when it was utterly impossible even a dozen years ago to do more than introduce the student to the field.

Our students here at Illinois have access to the complete Dartnell service for sales managers, to the Standard Rate and Data Service for advertisers, and to many other sources used by the practical man in charge of sales or advertising. They find at hand periodicals, bound and on file for years back, in which they can read and catch up on the development of the science, while the number and quality of the periodical literature is increasing constantly. Other sources of information are available also, such as government bulletins and reports, market surveys, trade association publications, etc.

Yes, the material is there for the teacher and student. It is no longer necessary to get into the midst of practical sales or advertising work to learn something of its technique and problems.

"Arlington Operated"

Hotel Ansonia

BROADWAY, 73rd to 74th Sts., NEW YORK CITY



12 minutes from Penn. & Grand Central Stations
5 minutes to Theatres & Shopping District

1260 Rooms

(ALL OUTSIDE)

New York's most complete hotel
Everything for comfort and convenience of our guests

Two Restaurants

Open from 6:30 A. M. until Midnight

MUSIC & DANCING
TWO RADIO ORCHESTRAS
LADIES' TURKISH BATH
BEAUTY PARLOR & DRUG STORE
BARBER SHOP
STOCK BROKERS' OFFICE
ALL IN THE ANSONIA HOTEL

TRANSIENT RATES

300 Rooms and Bath \$3.50 per day
Large double Rooms, twin beds, Bath . . . 6.00 per day
Parlor Bedroom and Bath (two persons) . . 7.00 per day

SPECIAL WEEKLY AND MONTHLY RATES

A RESTFUL HOTEL
away from all the noise and "dirt" of the
"Roaring Forties." No
coal smoke, our steam
plant equipped for oil
fuel. Coolest Hotel in
New York in Summer.

The Ansonia

In conjunction with the Hotels Colonial,
Anderson, Richmond and Cosmopolitan

"Arlington Operated"

Spanish Printing



or Portuguese for
South American
trade. Send us
your English copy
—we translate and
print. 30 years ex-
perience Foreign
language printing.

JOBSON PRINTING CO.

Incorporated
647 W. Hill St. . . . Louisville, Ky.
"Our Printing Will Please You"



House Organs

We are producers of some of the oldest and most successful house organs in the country. Edited and printed in lots of 250 to 25,000 at 5 to 15 cents per name per month. Write for a copy of THE WILLIAM FEATHER MAGAZINE.

We produce
The Neighbor

The William Feather Company
611 Caxton Building Cleveland, Ohio

TESTIMONIALS

Speaking of testimonials, here's one we appreciate
"I don't see how you do it. Our photostats are back almost before we realize the letters have been turned over to you. Real service."

Let us prove that for you. You want photostats when you want 'em. We get them to you.

Commerce Photo-Print Corporation
80 Maiden Lane New York City

MEN Wm. L. Fletcher Inc.,
can put you in
touch with THE RIGHT MAN
for any worth while job
93 Federal St. Boston, Mass.

Sail from

Montreal or Quebec to Europe



Leaving Montreal or Quebec you'll enjoy two wonderful days of ever-changing panorama down the picturesque St. Lawrence —then across the Atlantic BY THE SHORT SEA ROUTE. Only 4 days open sea. Monoclass (one class) cabin steamships and Empresses. Frequent sailings.

WINTER CRUISES

EMPEROR OF SCOTLAND Christmas Eve and Christmas Day in the leaving New York Dec. 2, 1926 Holy Land—New Year's Eve in Cairo
ROUND THE WORLD —India in the Cool Season—Peking included—Japan in Plum Blossom Time.
132 days of glorious cruising with motor trips, lunches, dinners, dances, train excursions, and accommodations at world-renowned hotels—all included in the fare. 28,400 miles—7 seas—5 continents—20 countries. \$1,800 and up.

EMPEROR OF FRANCE 2 days at Algiers—call at Malta—19 days leaving New York Feb. 12, 1927 in the Holy Land and Egypt—15 countries for THE MEDITERRANEAN in all—34 days ashore—17 ports of call, with return via the beautiful St. Lawrence to Quebec and Montreal. \$900 and up.

TO THE ORIENT

10 days to Japan—then China and Manila—on a Canadian Pacific Empress—largest and fastest on the Pacific. Sailings fortnightly from Vancouver, B. C.

Further information from local steamship agents, or
R. S. Elworthy, Steamship General Agent, 71 E. Jackson Blvd., Chicago, Ill.
Telephone Wabash 1904

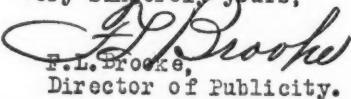
CANADIAN PACIFIC

—genuine letters do produce big results

I am in receipt of your letter of the fourth. There is no comparison whatever between the "imitation" or processed form letters and personal letters. It is, of course, impossible to write personal letters to all of the thousands of inquiries that are received and to follow them up as we do at Culver. The letters written on the Hooven Machine certainly take the place of the personal letter.

I am unable to determine, for instance, whether your letter to me is one that you dictated or one that has been written on a Hooven machine. It makes no difference for it will be read whereas the "imitation" letter would only find its way immediately to the waste paper basket. We have used two Hooven Machines for two years and find that we can turn out much more work than formerly with less help and greater ease.

Very sincerely yours,


F. L. Brooke,
Director of Publicity.

Try GENUINE LETTERS, a full campaign of them. Try them thoroughly; pick out a batch of good names, and go after them with a good series. As Mr. Brooke comments in the letter above—you also will be more satisfied. This ad can't tell it all; but—doesn't the above letter say enough to warrant your writing for more facts?

Tear out this ad NOW and write your name and address on margin and mail to Gen. Sales Office, H. A. T. Corp., 1100 Plymouth Bldg., Chicago, for booklet and more facts about letters.

Why Sales Increased \$34,000,000

(Continued from page 487)

the dealer, but to sell him the right method of doing business. Many of our dealers who formerly owned hardware stores have gone out of the general hardware business and opened up exclusive washing machine agencies, selling nothing but Maytag machines.

Because we have taken the trouble to make each franchise valuable to a dealer, we have no "dealer problem" insofar as getting new dealers is concerned. Our quota for 1926 is \$50,000,000, and the major portion of the \$15,000,000 increase will come from old dealers, rather than from the addition of new dealers. If sales so far in 1926 are any criterion, we will make our \$50,000,000 quota. We have already shipped one dealer a solid trainload of machines, valued at approximately \$500,000. Sales in February were \$300,000 ahead of any previous month in our history—and February is a short month.

Vauclain Optimistic Over Mexican Outlook

Urging American business men to do everything possible to promote the development of Mexican industry in Mexico, as well as American industry there, Samuel Vauclain, president of the Baldwin Locomotive Works discussed, at a recent meeting of the Mexican Chamber of Commerce of the United States, the possibilities that lie in that country as a market.

"My relations with the former President Obregon were perfectly satisfactory," said Mr. Vauclain. "I had no difficulty in arriving at what the intentions of that government were. Therefore, I decided to go along with it and to give it credit. My company has handled \$8,000,000 worth of business done with it, and less than \$2,000,000 of it remains unpaid—an amount equal to the revolving credit fund granted to it. No one has done more to carry out its promises than the Mexican government."

This May Be The Man You're Looking For

He has had 15 years' advertising and selling experience, divided among three concerns, each the largest of its kind in the world.

He has a thorough knowledge of advertising plans, campaigns and merchandising.

He is familiar with every detail in the management of a department.

He is 39 years old, well-educated and married.

He can furnish highest business credentials.

Box 1046

Sales Management
19 West 44th St.
New York City

Sales Manager Wanted

by leading Eastern candy manufacturers now doing a large volume of national business on bulk candy. Well-organized national sales force and brokers to be supervised. Man with candy experience preferred, although one familiar with the selling of food products might qualify. He should be between thirty-five and forty-five years of age, of excellent character and thoroughly dependable, with ability to accurately analyse conditions and have ideas and the initiative to carry out his plans successfully.

The man we seek must possess leadership and personality to inspire confidence in our salesmen and to justify full support of home office colleagues. What he has actually accomplished for others and his viewpoint on sales executive work and modern merchandising will be deciding factors. To the right man we are willing to pay the top price. Write with sufficient facts to justify interview. Communications strictly confidential.

Address Box 1044
Sales Management
4660 Ravenswood Ave.
Chicago

Tips

If you want to be a party to an amusing argument, write Leo P. McGivern of the *New York News* for a booklet put out recently on "What Is Quality Circulation?" Contributors to the discussion therein include Earnest Elmo Calkins, Sara Birchall, and Mr. McGivern himself. 25 Park Place, New York City, is the address of the *News* office.

Hot off the griddle come two new market surveys: "Greater Milwaukee Facts and Figures," and "Dixie Data Book." Write T. P. Collins at the *Milwaukee Journal* for the first, and J. S. Craik, at *The Progressive Farmer*, Birmingham, Alabama, for the other.

"Radio and Chicago" is new, too. Put out by the *Chicago Evening American*, it's a market analysis, data book, and selling treatise combined. M. C. Meigs, advertising director, has some copies to distribute.

We're just writing, ourselves, to see if copies of a survey just completed by the Farmers Loan & Trust Company of New York City, are available. The survey covers installment buying, and according to the review we picked up, it characterizes that habit as "not only an important influence in distribution, but now a real factor in banking." Some of the figures on 1924 installment sales are given. For instance, automobiles, \$2,182,561,878; washing machines, \$66,000,000; vacuum cleaners, \$44,850,000; phonographs, \$56,000,000; furniture (approximate), \$765,000,000; pianos, \$40,000,000; jewelry, \$100,000,000; and radio, \$39,000,000. The total of these items alone, you will readily grasp, is a sum to stagger any banker or sales executive.

All the "low-down" on the New York theater market you'll find sanely and briefly expressed in "The New York Theater Market vs. the New York Market," a book put out by the New York Theater Program Corporation. If you'll clip this item and say "please," J. C. Chevalier, secretary, will send you a copy. The address is 108 Wooster Street, New York City.

The Hampden Glazed Paper & Card Company of Holyoke, Massachusetts, is operating the "Sunburst Suggestion Service" for the benefit of direct mail advertisers. To secure this gratis service, write William F. Fowler, advertising manager, giving full details of your proposed booklet or catalog. In return he will furnish a dummy covered with Sunburst and practical suggestions for color combinations and cover designs. What more could you ask?

A house magazine christened "Keyed Copy," put out by the Macfadden Publications, Inc., at 1926 Broadway, New York City, is packed full of interesting experiences of advertisers who use keyed copy. It's published monthly, and will come in regularly with your mail if you so request.

MORE PROOF of the effectiveness of MONROE LETTERHEADS

The Clifton Chemical Co. of New York writes:

"After we started using the letterheads you designed for us, we found an increase of about 27%. Your letterheads probably were one of the determining factors."

And when you see the portfolio of MONROE Letterheads, you'll understand WHY they outpull all ordinary letterheads. Write for copy. No obligation.

MONROE LETTERHEAD CORP.

1001 Green Street
Huntsville, Ala.

Sales Managers Wanted

—to introduce household Washing Powder into the principal cities of the United States except those in the New England States, New York and New Jersey. This is more than a job—it offers an opportunity to become a profit sharer in a rapidly growing business. Merchandising experience, preferably in the grocery field, is desirable. In addition applicant must be prepared to invest either for himself or others at least \$15,000 in stock now paying 7% dividends.

All of this money will be spent in sales promotion work within your territory. The company's merchandising and advertising methods have stood the acid test over a period of three years. They are producing in 10 states. The product itself has met with amazing success—the sales figures which will be shown you, prove this. Besides 6,000 independent stores, 15 chains, including the A. & P. are selling the product.

Applicant will be invited to have his bank investigate the proposition. Liberal salary guaranteed. For interview, write in confidence giving business experience for the past ten years.

Box 1042

Sales Management
4660 Ravenswood Ave. CHICAGO

Typewriter Exports to Europe are Heavy

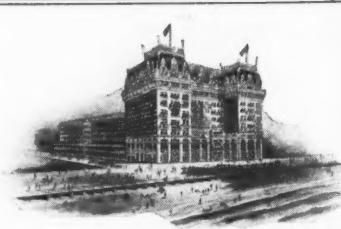
January exports of typewriters to the United Kingdom amounted to 5,326 new standard machines, valued at \$348,915; 2,120 new portable typewriters, valued at \$80,313, and 412 rebuilt machines, valued at \$9,526, according to the trade figures made public by the Department of Commerce on March 24.

France and Soviet Russia also are among the best customers for American typewriters.

FINANCE YOUR OWN ENTERPRISE

IF YOU are organizing a company or have one already organized and desire to obtain additional capital through the sale of a stock or bond issue—or if you have a real estate subdivision project ready for market—you'll be interested in the "Approved Plans" fully outlined in my book, "How to Capitalize Your Business," a guide to finance planning and writing financing campaigns. Clients throughout America emphatically endorse my service. Book and suggestions free if you will give your full address.

ERNEST F. GARDNER
Financial Advertising Service
523 Ridge Arcade Kansas City, Mo.



The Breakers
Atlantic City, N. J.

Right on the Boardwalk
Preferred—

in winter and all season—by those who know and want the best—either upon the American or European Plan—and sensible rates withal. Sea Water Baths—Golf Privileges—Orchestra—Dancing Garage on Premises

Joel Hillman
President

Julian A. Hillman
Vice-President

For Sale

at sacrifice account of changing system, one set of National Map Company's state maps.

Maps are on 50x48 inch wings, one state each side, and pivot from a stationary fixture. Operated with ease and efficiency.

Texas, Oklahoma, Colorado, Indiana, Kansas and Arizona maps missing, others in fine condition.

One large official R. R. Map of U. S. is included with this set. Further information cheerfully furnished.

Calumet Baking Powder Company

MR. J. SULLIVAN

Phone Kedzie 0324

4100 Fillmore Street Chicago, Ill.

Personal Service and Supplies

Classified rates: 50c a line of seven words; minimum \$3.00. No display

POSITIONS WANTED

CAN YOU, Mr. Salesmanager, USE

the services of a man, who,

- (1.) will plan and produce mail advertising in line with your established sales policy.
- (2.) having sold, understands that advertising in general is selling; and that mail advertising in particular can be a powerful ally of the sales force.
- (3.) until recently, was planning and producing mail advertising for one of the largest firms in Canada, but who has been compelled to return to the vicinity of New York City for family reasons.
- (4.) can write mail advertising copy, make the layout, and follow the job through production.
- (5.) has a sound working knowledge of type, composition, electrotyping, art work, photo-engraving, paper, presswork, and binding; and can buy these intelligently.
- (6.) is at present employed.
- (7.) wants to make a change for good and sufficient reasons.
- (8.) needs \$60.00 a week to support himself and his wife.
- (9.) is American born
a Christian
college educated
30 years of age
married

If you think that you can use the services of such a man you can exchange references with him and arrange for an interview by addressing Box 1040, Sales Management, 19 West 44th Street, New York City.

ARE YOU LOOKING FOR A SALES MANAGER for Texas? If so and you have a line of merchandise of the very highest quality, it may

prove profitable should you answer this ad—provided you are looking for a five to ten thousand dollar man. Am Southwestern Sales Manager for one of the best known products—have been with this firm over eight years. Present relations very pleasant—but on account of re-organization of company will consider a change. Can sell anything of merit and get results from salesmen. Married, age forty-four, best of physical health, a Mason and can give best of references. Address Box 1048, Sales Management, 4660 Ravenswood Ave., Chicago.

SALES PROMOTION

FOR BIG RESULTS FROM YOUR BROADSIDES, folders, dealer helps, letters, etc., have them prepared by Direct Advertising Specialists who have successfully served many of the largest mercantile and industrial firms in America. We handle copy, layouts, printing, whole campaigns from idea to finished job. Our patented "pop up" folder most sensational mailing piece in years. Sample sent free. Write for our Direct Mail Rate Card—helps you plan your advertising and save money. No obligation. Superior Adv. Service, Inc., 230 East Erie, Chicago.

\$50 TO \$50,000 DAILY SALES DEVELOPED during 28 years for clients by our direct mail plans, copy, campaigns. One product, 1928, an idea. This year \$100,000 orders booked. Fifty year old concern desired 50 national representatives in 1925; we produced 40 in three months. 700 dealers in 10 months at \$3 each, for another. Ten years Sales Promotion Manager Larkin Co. Submit sales problems for Free diagnosis. James C. Johnson, 119 Woodbridge Ave., Buffalo.

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An organization providing a complete service in
Outdoor advertising through advertising agencies

NATIONAL OUTDOOR ADVERTISING BUREAU, INC.

N. E. Cor. 32d St. and Park Ave., New York
Lyton Bldg., State and Jackson, Chicago
Detroit Office: General Motors Building



TOYCO Promotion
BALLOONS

There's a definite way to make
Toycraft Promotion Balloons in-
crease sales. Ask us to tell you how.
Business Idea Dep't.

The TOYCRAFT RUBBER CO.
ASHLAND, OHIO

"GIBBONS knows CANADA"

TORONTO

J. J. Gibbons Limited, Advertising Agents

MONTRÉAL

WINNIPEG